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# ***Daily Report***

## **China**

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# Daily Report

## China

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## General

### Foreign Trade Minister Wu Yi Comments on GATT

#### System Serves Developed Countries

OW2311124094 Beijing XINHUA in English 1224  
GMT 23 Nov 94

[FBIS Transcribed Text] Hong Kong, November 23 (XINHUA)—A top Chinese trade official said here today the current multilateral trading system embodied in GATT (General Agreement on Tariffs and Trade) is basically serving the interest of developed countries, particularly one or two largest developed countries.

Wu Yi, Chinese foreign trade and economic cooperation minister, made the remark when talking about the trend of the multilateral trading system at an economic seminar held in Hong Kong.

She said that in recent years the multilateral trading system has been preserved and strengthened as this is evidenced by the conclusion of the Uruguay Round and the imminent birth of a new World Trade Organization.

While praising the conclusion of the Uruguay Round as contributing to the expansion of the world trade, Wu pointed out that the Uruguay Round package is unbalanced and in many ways it has not reflected or has not adequately reflected the interests of the developing countries, mostly in agreements on intellectual property rights, investment measures and service trade.

The name of the intellectual property rights agreement is protection and in near term it is more in the interest of developed countries possessing technology, patent and copyrights, she said, adding that the developing countries will be faced with immense difficulties in policy adjustment and law amendment and pay a heavy price in implementing the agreement.

Similarly, she went on, the investment measures agreement only provides for obligations to be assumed by investment recipients and there is not a single word referring to the obligation of investors.

This agreement is apparently biased in favor of capital exporting developed countries, she added.

In general, the Uruguay Round negotiations have not resolved the fundamental shortcomings of the multilateral trading system embodied in GATT, she said.

However, she concluded that China's move to join the multilateral trading system symbolized by the effort to resume its GATT membership is necessitated by the country's reform and opening and will in turn accelerate China's opening and economic reform.

Wu arrived here after a visit to Vietnam which ended yesterday.

## Developing Country Entry 'Essential'

OW2311125194 Beijing XINHUA in English 1226  
GMT 23 Nov 94

[FBIS Transcribed Text] Hong Kong, November 23 (XINHUA)—China will adhere to the basic principle of balance of rights and obligations whether in the case of resuming its GATT (General Agreement on Tariffs and Trade) seat or in the case of joining APEC (Asia Pacific Economic Cooperation), said China's top foreign trade official here today.

Wu Yi, Chinese minister of foreign trade and economic cooperation, made the point while addressing a seminar on trade and investment between the Hong Kong Special Administrative Region and the Chinese mainland.

In her speech, Wu, fresh from a visit to Vietnam, expounded the basic principles regarding China's participation in the multilateral trading system.

She said that in dealing with relations between multilateral trading system and regional trading system, China advocates reinforcement and strengthening of multilateral trading system based on GATT.

The operation of regional trading system should follow the accepted rules in international trade such as equality, open regionalism and non-discrimination, she added.

She pointed that China will stick to the basic principle of balance of rights and obligations in re-entering GATT and joining APEC, and the obligations undertaken and rights enjoyed should contribute to the reform and open policy and economic development of China.

The reason for China's commitment to GATT obligations in the negotiations is simply that these obligations are consistent with the country's general objective of building socialist market economy, said Wu Yi.

Regarding the GATT rights, Wu said that China is naturally entitled to all the basic rights provided for in the GATT such as unconditional most-favored-nation treatment just as other contracting parties.

It is an essential guarantee for the balance of rights and obligations to insist on China's re-entry into GATT as a developing country, said Wu, adding that only by doing so, will it be ensured that the obligations undertaken by China in participating in multilateral trading system are consistent with the level of China's economic and social development.

"Should the resumption of China's GATT seat prejudice the process of China's reform and opening, it will not make any sense to regain this GATT seat," she cautioned.

She said that China's move to resume its GATT membership is sure to produce significant and far-reaching impact upon the global economic and trade development and provide the world with more access to China's vast market.



It is in the fundamental interest of all developing countries to support China's resumption of GATT membership as a developing country, she added.

Wu Yi said that the final dashing of negotiation of China's GATT membership had started and China will unremittably participate in the multilateral trading system.

However, she did not say when exactly China's GATT membership will be resumed.

In her hour-long speech, Wu Yi also talk about the evolving trend of the multilateral trading system and China's need to participate in this system.

#### **Vows 'No Further Concessions'**

*HK2311115694 Hong Kong AFP in English 1123 GMT 23 Nov 94*

[FBIS Transcribed Text] Hong Kong, Nov 23 (AFP)—Chinese foreign trade and economic cooperation minister Wu Yi said Wednesday [23 November] that China would not make any further concessions on its application to re-enter the GATT. She told reporters after addressing a trade seminar here that Beijing was "prepared for the worst" if its application failed this year. She said there would be "no further concessions" from China at GATT (General Agreement on Tariffs and Trade) talks in Geneva next week as "we have been very flexible in the past."

Wu, who arrived in Hong Kong on Tuesday from Harbin, where she accompanied Chinese Communist Party secretary Jiang Zemin on a four-day visit, also warned that all agreements and promises reached with GATT during the past eight years of negotiations would be invalid if China failed to rejoin the trade body, which becomes the World Trade Organisation in January next year. "We will not sacrifice the interests of China" just to be able to be a member of the multilateral trading system, she said.

China was a founding member of GATT but left it after the communist takeover in 1949.

"Should the resumption of China's GATT seat prejudice the process of China's reforms and opening, it will not make any sense to regain this GATT seat," Wu told the one-day trade and investment seminar. The seminar was organized by the economic sub-group of the Preliminary Working Committee, set up by China to prepare for the handover of the British colony to China in July 1997. It discussed problems relating to investments from or through Hong Kong into the Chinese mainland after 1997.

#### **Nation May Make Human Rights Concessions for GATT**

*HK23111103794 Hong Kong MING PAO in Chinese 22 Nov 94 p B1*

[By special reporter Wu Lai-ching (2976 0171 0079): "To Join GATT, China May Make Concessions on Human Rights, Taiwan Issues"]

[FBIS Translated Text] A Beijing informed source said whether or not China can regain its status as a signatory to the GATT next year without experiencing any "structural transformation" will, to a very large extent, depend on the outcome of the talks between Jiang Zemin and Clinton at the Asian-Pacific Economic Cooperation [APEC] forum. The informed source said China, in order to safeguard its economic interests, is very likely to make some concessions and these may be related to the human rights and Taiwan issues.

The Informed source disclosed that during the negotiations on GATT reentry, the United States has always insisted on the classification of China as a developed country. This view advocated by the United States is now also supported by Japan and European countries. What is more, the World Bank [WB] and the Asian Development Bank [ADB], both with nongovernmental status, recently rejected reports submitted by the Chinese organizations concerned which stated China's status as that of a developing country. Their position has made China's attempt to reenter the GATT still more difficult. A few days ago, Beijing openly admitted that China's dream of reentering the GATT by the end of the year had turned out to be impossible.

It is said that the Chinese State Commission for Restructuring the Economic System, in support of China's efforts to regain its GATT membership, specially prepared two reports on China's national conditions and submitted them to the WB and the ADB, stressing China's status as a developing country. But both reports were rejected, as both the WB and the ADB unanimously insisted that China is already a moderately developed country. The informed source said although China cherished great expectations when it submitted the two reports to the two banks, it was also psychologically prepared for the possible outcome. Apparently Beijing has now realized that it is facing tremendous obstacles on its way to GATT reentry. The main obstacle is that the United States, Europe, and Japan have now joined together in an attempt to get a share of China's huge energy, monetary, automobile, and household electric appliances markets. Some people in Beijing said this is the "prelude" to another "Eight-Power Allied Expedition" against China.

Reports have said that the Chinese authorities concerned believe that although the WB and the ADB have indeed contributed to China's economic development to a certain extent, they are after all under the control of developed Western countries, therefore they are not very likely to "give China a hand" at a crucial moment.

The informed source also disclosed that the Chinese departments concerned recently conducted a comprehensive, thorough survey among some enterprises, which revealed that if China reenters the GATT on the present terms offered, the impact this will have on China's domestic economy, it is believed, will be slighter than originally expected. Hence, it is estimated that China

will be able to withstand the impact. However, China will not possibly make any principled concessions because it must protect some basic industries and allow for a "maturing period" so that such "morning sun" industries as the automobile, electronics, and telecommunications industries will be able to grow up before the full opening up of the market.

The informed source said the crucial issue for the solution of the problem hangs on the deal, if any, between Jiang Zemin and Clinton and other leaders during the APEC forum. It is estimated that China may make concessions mainly in the political and diplomatic aspects, involving the issues of human rights, Taiwan, and so on. The informed source said China is very likely to make concessions in the above aspects rather than to give up some economic interests more "generously."

#### Qian Interviewed on U.S. Ties, APEC Meeting

OW2311045394 Beijing XINHUA Domestic Service in Chinese 1255 GMT 22 Nov 94

[By reporters Wei Guoqiang (7614 0948 1730) and Duan Jiyong (30u8 0679 0516)]

[FBIS Translated Text] Beijing, 22 Nov (XINHUA)—Chinese Vice Premier and Foreign Minister Qian Qichen, who accompanied President Jiang Zemin on his foreign visit, was interviewed by Chinese reporters on board a special plane flying from Hanoi to Beijing this afternoon. He answered questions raised by the reporters on the achievements of President Jiang Zemin's visit to Southeast Asia and his appraisal of the informal meeting among leaders of the Asia-Pacific Economic Cooperation [APEC] members.

[Reporters] At the end, the Jakarta Summit adopted a timetable for trade liberalization within APEC. How do you view the prospect of achieving trade liberalization according to this timetable? Is China ready to fulfill the 2020 timetable?

[Qian] The timetable for achieving trade and investment liberalization within APEC contained in the "Bogor Declaration," expresses an intention and a long-term goal, and it manifests the prospect of economic cooperation in the Asia-Pacific region. To achieve this goal, we should fully respect the region's diversity, uphold the principle of openness and nondiscrimination, and allow members at different levels of economic development to achieve trade and investment liberalization at different times and to adopt different practices at different paces in different areas. Market access should be mutual; developed APEC members should not be asked to open their markets alone. Developed members should first tear down their restrictions and open their markets to commodities and labor from members in the developing stage. This is a prerequisite to trade liberalization.

The process of reform and opening up undertaken by China is in itself a concrete step toward promoting the

free flow of regional trade and investment. I am confident that with the further development of China's economy, we will be in a better position to achieve the goal of trade and investment liberalization.

[Reporters] President Jiang met with President Clinton at the informal meeting of APEC leaders both this year and last year. The media believes the summit in Seattle and again in Jakarta has brought Sino-U.S. relations onto a normal course, but there still exist some "potential time bombs [qian zai di ding shi za dan 3383 0961 4104 1353 2514 3498 1734]" in their relations. What is your view of the prospect of Sino-U.S. ties after this summit?

[Qian] The first meeting between President Jiang and U.S. President Bill Clinton in Seattle last November helped move bilateral ties between China and the United States onto a course of improvement and development. High-level exchange of visits between the two countries have been frequent in the past year. Four ministerial-level joint commissions have made progress in their work. With the issue of most-favored-nation trade status resolved, Sino-U.S. economic and trade exchanges and cooperation have been steadily expanding, and the development of bilateral ties is gaining greater momentum [shi tou shi hao di 0528 7333 2508 1170 4104]. The atmosphere of the meeting in Jakarta between Presidents Jiang and Clinton was constructive, and the meeting will further speed up the development of Sino-U.S. relations [jia kuai liang guo guan xi di fa zhan jin cheng 0502 1816 0357 0948 7070 4762 4104 4099 1455 6651 4453].

While there are differences between China and the United States, they share even broader common interests under the current international situation. A better Sino-U.S. relationship is in keeping with the interests of the peoples of both countries and is conducive to peace, stability, and development in the Asia-Pacific region and the world in general. China and the United States have every reason to proceed from this general interest to expand cooperation, minimize trouble [jian shao 8096 1421 7802 3565], promote common interests, and narrow their differences through dialogue. I am optimistic about the prospects of Sino-U.S. relations.

[Reporters] President Jiang's visit to the four Southeast Asian countries focused on economic and trade cooperation with the four countries and did not directly touch on the differences over the question of ownership of the islands in the South China Sea. From a long-term perspective, what is your view of the visit in terms of helping eliminate differences, promote good-neighborly friendship, and consolidate relations with those on the perimeters [gong gu zhou bian 7255 0942 0719 6708]?

[Qian] President Jiang's visit to the four Southeast Asian countries was aimed at developing good-neighborly friendship and promoting mutually beneficial cooperation. During his visit, President Jiang exchanged views with leaders of the four countries and achieved broad

consensus on bilateral relations, and regional and international issues of common concern. In the fast-changing international situation, all the countries attached importance to maintaining political stability and sustained economic development in the Asia-Pacific region. They all expressed their readiness to increase dialogue and consultations, actively push forward exchanges and cooperation at various levels and in diversified forms, and particularly, to strengthen economic cooperation on the basis of equality and mutual benefits. As for some complicated issues in bilateral relations, both China and these countries agreed to proceed from the interests of safeguarding peace and stability, and to seek realistic solutions through friendly consultations and negotiations and by taking the interests of both sides into consideration. Where differences cannot be resolved overnight, they should be put aside temporarily to seek common ground so as not to affect the development of normal state-to-state relations.

[Reporters] When President Jiang Zemin and Premier Li Peng visited Europe on separate occasions, the media viewed the year 1994 as a year of European diplomacy in China's foreign relations. Now that President Jiang Zemin and Premier Li Peng have separately visited Southeast Asia and East Asia, the media regards their visits as a manifestation of China's all-directional diplomacy in Asia. What is your view of China's high-level diplomacy in 1994 in terms of these visits?

[Qian] The foreign visits by President Jiang Zemin, Premier Li Peng, and other Chinese leaders this year sent a signal to the world: China sincerely hopes for world peace and stability, and is ready to actively take part in unrestricted economic cooperation; to develop relations with all other countries on the basis of mutual respect, equality, and mutual benefits; and to coexist in peace and harmony, learn from others' strong points to offset one's shortcomings, and to develop together with all other countries.

We are at the turn of the century. Building a new type of international relations for the 21st century is a major issue facing us and an historical mission on the shoulders of leaders of this generation in various countries. Exchanges of visit between top leaders for face-to-face conversation is conducive to deepening understanding, eliminating differences, and increasing trust. There are several grand international gatherings next year, too: A UN summit on social development issues to be held in Copenhagen, Denmark next March; the Fourth World Women's Congress to be convened by the UN in Beijing next September; and a summit to be held at the UN Headquarters next October to commemorate the 50th anniversary of the founding of the UN. I am confident that next year will be a year of more activities and new breakthroughs in China's diplomacy.

#### Further on Comments

OW2211163294 Beijing XINHUA in English 1603  
GMT 22 Nov 94

[FBIS Transcribed Text] Beijing, November 22 (XINHUA)—Chinese President Jiang Zemin's visit to four

southeast Asian countries has been fruitful in promoting good neighborliness and friendly cooperation, Foreign Minister Qian Qichen said today.

During the 14-day visit, President Jiang reached broad consensus with the leaders of Singapore, Malaysia, Indonesia and Vietnam on bilateral relations and regional and international issues, Qian told Chinese reporters on board a flight from Hanoi to Beijing following Jiang's four-day visit to Vietnam.

Both China and these countries have expressed their readiness for increased dialogues and consultations so as to push forward exchanges and cooperation at various levels and in diversified forms, the foreign minister said.

As for some complicated issues in bilateral relations, Qian added, both China and these countries agreed to proceed from the interests of peace and stability and seek realistic solutions through friendly consultations and negotiations and by taking the interests of both sides into consideration.

Talking about Sino-U.S. relations, Qian said bilateral ties have been improving and developing since President Jiang and U.S. President Bill Clinton met in Seattle a year ago.

With the issue of most-favored-nation trade status resolved, Sino-U.S. economic and trade exchanges and cooperation have been steadily expanding and the development of bilateral ties is gaining greater momentum, he added.

The Jiang-Clinton meeting in Jakarta earlier this month was constructive and will help speed up the development of Sino-U.S. relations, he said.

The minister pointed out that differences do exist between China and the United States, but they share broader common interests in the current international situation.

A better Sino-U.S. relationship is in keeping with the interest of the peoples of both countries and is conducive to peace, stability and development in the Asia-Pacific region and the world in general, he said.

"With this broad situation in mind, China and the United States have every reason to expand cooperation, minimize troubles, promote common interests and narrow their differences through dialogue," he added.

On trade and investment liberalization among the member economies of the Asia-Pacific Economic Cooperation (APEC) forum, Qian said that this is a long-term goal whose realization requires respect for the region's diversity and the principle of openness and non-discrimination.

The foreign minister said market access should be mutual and that it is not fair to require only APEC's developing members to open their markets.



As a matter of fact, he added, the developed members should first open their markets and tear down their restrictions on the commodities and labor from the developing ones, in order to create conditions for achieving trade liberalization in the region.

"China's current economic reform and opening to the outside world is in itself a concrete step towards promoting the free flow of regional trade and investment," Qian said.

"With the further development of the Chinese economy, I believe, we will be in a better position to achieve the goal of trade and investment liberalization," the Chinese foreign minister said.

#### **Ambassador to UN Says Development Needs Real Action**

OW2211135294 Beijing XINHUA in English 0633  
GMT 22 Nov 94

[FBIS Transcribed Text] United Nations, November 21 (XINHUA)—Consensus on principles of development must be followed by deeds, and documents on international development cooperation must be translated into actions, Chinese ambassador Li Zhaoxing said here today.

Li, China's permanent representative to the UN, was speaking at a high-level special plenary meeting held to discuss the UN Secretary-general's report titled "An Agenda For Development: recommendations".

Li noted that the report contains many positive elements, which emphasize that economic growth is an imperative for development and that the economic and social development of the developing countries depends on a favorable international economic environment.

He said the Chinese delegation believes that the promotion of economic growth and sustainable development of the developing countries lies at the core of international development cooperation.

"An agenda for development should build on the conceptual consensus concerning the core of development, setting forth concrete objectives and tasks in helping the developing countries with their economic growth," ambassador Li said.

He said one of the primary objectives and tasks for the UN is to create favorable external conditions for economic development in the developing countries, helping them overcome constraints in such areas as trade, financial resources and technology.

The ambassador said UN operational activities for development should not be made adjunctive to peace-keeping operations, for that would undercut the UN's ability to resolve the "silent crises" in the developing world.

Li stressed the importance of turning solemn commitments into solid actions in implementing the outcome of international conferences on development cooperation.

Lack of follow-up actions or slow progress in this respect, he added, can be mainly attributed to the lack of political will on the part of the countries concerned, particularly the developed countries, and their refusal to implement their commitment to provide financial resources and technology, for example.

On the reinvigoration of the UN system in economic and social fields, Li said that at present efforts should be concentrated on digesting and testing reform measures that have been already taken rather than hastily introducing new ones.

"Prudence should be applied to recommendations that involve such fundamental principles as universal representation and the possible revision of the charter," he said.

The Chinese ambassador said the long-standing shortfalls in funding for operational activities for development are the principal constraint on the UN in its efforts to play an effective role in economic and social areas.

The proposal of convening an international conference on the financing for development merits favorable consideration, he said.

#### **Li, Ziang Supervise New Foreign Policy Document**

HK2311063694 Hong Kong SOUTH CHINA  
MORNING POST in English 23 Nov 94 p 23

[By Willy Wo-lap Lam]

[FBIS Transcribed Text] A high-powered team of diplomats, military researchers, and social scientists is putting together China's foreign policy strategies for the next decade. The drafting of the document, dubbed "The New World Order According to Beijing," is being supervised by President Jiang Zemin and Premier Li Peng.

With China's quasi-superpower status becoming more evident by the day, this global blueprint has crucial significance not only for the Asia-Pacific region but the West. While the document on the multi-pronged "order" is still being fine-tuned, one feature stands out: The new scheme of things will be Asia-oriented, if not, as some critics say, "Sinocentric".

In some ways, it is a re-invention of Mao's "East Wind versus the West Wind" argument but with more sophisticated realpolitik and economic calculus thrown in. Which is not surprising given the fact that the "new order" is being crafted as the balance of economic and perhaps, later, geopolitical power is gradually being tipped in favour of the Orient. The most obvious manifestation of this rise is, of course, the West's mad rush into the Asian market.

By happenstance, Beijing's major initiative coincides with quite unprecedented difficulties confronting Washington, China's once and future chief antagonist on the world scene. The recovery of the American economy has been less spectacular than expected. Under the shadow of a naysaying, Republican-dominated Congress, President Bill Clinton's foreign policy could become even more spineless.

Simply put, Beijing's New World Order is anchored upon Asian values and traditions, if ones which have also been tempered with knowledge about "Western" nuclear technology and trade-war tactics. It is perhaps a conscious reaction against the unabashedly Washington-centred world order that former President Bush had forged with dubious success.

While at least at the early stage, the power behind the New Order is China, Beijing is anxious to co-opt neighbours such as Singapore, Malaysia, Indonesia, South Korea, Thailand, and to some extent, Vietnam and Japan.

Flushed from his emergence as China's undisputed supremo at the Fourth Communist Party Central Committee Plenum in late September, Mr Jiang has been testing the waters in his whirlwind tour of the region in the past fortnight. The first cornerstone of the New Order is "economicism" or "economics as the sole criterion of apolicy". As Mr Jiang put it in Indonesia last week: "At the moment, each country is faced with 10,000 priorities; yet economic development towers above them all."

The preoccupation with trade and economic cooperation makes it easier for China and its neighbours to forget their differences—Taiwan, the Spratly Islands, and "Chinese military expansionism"—and to join hands in securing their rightful place in the global pecking order. Thus, the focus on "joint development" might enable China and the several other claimants to the South China Sea islands to brush aside sovereignty disputes for the moment.

Moreover, Asian countries know that the economic card, if wielded jointly, would enable them better to bargain with Western trading partners. This goes for issues including individual countries' efforts to join world trading bodies, to get loans from international financial institutions and, most importantly, to parry American threats of sanctions based on accusations of trade imbalance or intellectual-rights piracy.

The second cornerstone of Beijing's world view is a revival of Asian values and statecraft. The corollary is an Asian United Front against alleged attempts by the Occident to impose a set of "Western" norms about democracy, elections, human rights, and even the environment.

In his talks with Malaysian Premier Dr Mahathir Mohamad in Kuala Lumpur, Mr Jiang unsubtly blasted

the United States. "The democratic system of each country must match its people's traditions and the national situation," he said. "Imposing one country's system on to another is itself not a democratic way of doing things. It is also a manifestation of hegemonism."

Mr Jiang's message was as enthusiastically received when he met Indonesian President Suharto in Jakarta last Thursday. According to Xinhua, the official New China News Agency: "Both leaders think it is prejudicial to the interests of developing countries for some parties to try to constrain their economic development by using human rights and environmental protection as pretexts."

There is a near-unanimity among the governments of China, Singapore, Malaysia, and Indonesia that each administration has a right to interpret what constitutes human rights or civil liberties for its charges. The three countries at least do not dispute Mr Jiang's theory that for China, human rights mean "giving 1.2 billion people enough food and clothing" and "maintaining social and political stability".

Thus, on the negative side, Mr Jiang seems to have scored points by conjuring up a common enemy, the bogey of an "economically neo-imperialist" West trying to contain Asian progress by limiting Asian exports and making harsh demands on economic and political reform.

But Beijing also has something positive to offer. One example is the revival of Confucian morality and governance, which are integral parts of the culture of countries including Singapore, Japan, the two Koreas, and ethnic-social groupings in Malaysia, Indonesia, the Philippines, and Vietnam.

At an international seminar on Confucianism held in Beijing last month, which included among its speakers Singapore's Senior Minister Lee Kuan Yew, Beijing pledged billions of yuan to revive the state creed of dynastic China and to spread it overseas.

It is no accident that Mr Jiang opened a keynote address in Malaysia by quoting Confucius: "Harmony is a supreme virtue"; "Do not do unto others what you don't like yours if." While Beijing seems to be winning friends even in formerly hostile Vietnam, Mr Jiang's gambit is up against tough tests.

Confucian harmony notwithstanding, practically all Asian capitals are worried about the aggrandisement of the People's Liberation Army as well as the rebirth of "pro-Chinese sentiments" among their ethnic Chinese populations. Quite a few politicians and strategists in Asia fear that Beijing has ulterior motives in apparently prodding them into what American political scientist Samuel Huntington called a "clash of civilizations" with the West.

The more liberal among Asian academics and policy makers are convinced that as much can be gained by working out a fair and symbiotic trading framework with



the West. Moreover, they think that "Western" political values such as broad popular consultations if not the ballot box might be better catalysts for long-term stability than the "Confucian" doctrine of the preservation of the privileges of the elite.

#### **Report on Sino-Foreign Cooperation on Patent Protection**

OW2311062294 Beijing XINHUA in English 0607  
GMT 23 Nov 94

[FBIS Transcribed Text] Beijing, November 23 (XINHUA)—China received 55,000 patent applications from abroad by last August, accounting for 13.4 percent of the country's total.

A survey by the Patent Office of China (POC) reports that so far some 70 foreign countries and regions have registered patent rights in the Chinese mainland.

The number of applications from the United States and Japan alone is more than 10,000. Germany, Hong Kong, France, Britain, Switzerland and the Netherlands are listed among those major inventors with 2,000-plus applications each.

To date, China has established relations with more than 22 foreign patent offices and three international organizations, including the European patent office and the world intellectual property organization.

Furthermore, since the Patent Cooperation Treaty (PCT) took effect in China early this year, the country has gained the official right for international patent documents retrieving and examination under the PCT.

Wu Xiangwen, director of the International Cooperation Division, said that the number of overseas applications in industrial design has surpassed 3,000, as a result of the country's painstaking efforts in this field since the beginning of this year.

So far, he said, the duration of patent application processing has been reduced to no more than six months, which is within international requirements.

Thank to China's 1993 revision of the patent law, which further encourages inventions and renovations in the chemical and medical industries, patent applications and investment from giant overseas corporations surged to a new high, Wu noted.

The number of applications, for example, from the U.S. Smithkline Beecham Company has risen to 93 during the period from January 1993 to June 1994, compared with a total of 81 from the preceding eight years.

Meanwhile, the German Bayer Corporation has registered 97 patents in China, and the figure from the U.S. Monsanto Company jumped to 94 as well.

The American company Pfizer and the Ely Lilly International Corporation have submitted 223 and 233

patent applications respectively to the POC since having set foot in the Chinese marketplace.

Wu said that the POC has settled long-term schedules for cooperation with its counterparts in Russia, the United States, and the European Union.

Gao Lulin, administrator of the POC, has disclosed that the governments of China and Germany will launch a large-scale cooperation program next year, focusing on patent document retrieval, automation of the licensing process, and industrial property protection in hi-tech areas.

Such lengthy coordination plans between China and the European countries has "played a key role in China's passage of the patent law, in documents collection, and in personnel training and automation," commented Gao.

He added that the POC and U.S. Patent and Trademark Office have reached a consensus on future exchanges of documents, optical disks, automatic information systems and visiting scholars.

Other related sources have said that the cooperative ties between China and U.S. non-governmental units, including the American pharmacists and researchers association and the John Marshall Law school, are developing rapidly.

According to a senior official here, following the recognition of the PCT, China has been making preparations for joining the Budapest Treaty of International Recognition of Depositing Bio-organisms for the Purpose of Processing Patents, the Strasbourg Agreement on International Patent Classification, and the Lisbon Agreement on Establishment of International Classification of Industrial Design.

#### **United States & Canada**

##### **U.S. Partners in Joint Venture Lend \$100 Million**

OW2111145094 Beijing XINHUA in English 1435  
GMT 21 Nov 94

[FBIS Transcribed Text] Changsha, November 21 (XINHUA)—China and the United States reached agreements here today to manufacture five patented articles in China.

The agreements were signed between China's Hunan International Trust and Investment Corp., and American Eastern Securities Inc. and Red Lion International Investment Ltd of the U.S..

The agreements stipulate that joint ventures be set up to produce patented medicine bottles, bottle lids, aids-proof syringes and consumer-goods packaging.

American Eastern Securities and Red Lion will extend 100 million U.S. dollars at a fixed interest rate of 5.9

percent for 20 years in the Chinese corporation for this purpose, according to the agreements.

It's the largest credit deposit the Hunan corporation has ever received.

All the products of the joint ventures will be patented in China and will be marketed in the United States and Europe, according to the agreements.

The U.S. representatives said they were pleased that all the procedures for the agreements were finished within three days, and expressed the intention of investing in Hunan's infrastructure projects, including urban construction, roads, bridges and power stations, in the future.

#### **Liaoning Governor Visits Canada, Concludes Trade Pacts**

*OW2311023094 Beijing XINHUA in English 0216 GMT 23 Nov 94*

[FBIS Transcribed Text] Shenyang, November 23 (XINHUA)—Liaoning and Canada have reached agreements on about 50 projects, with a total investment of 250 million U.S. dollars.

The agreements were struck during a visit to Canada in late October by a delegation from the northeast China province, headed by Governor Wen Shizhen.

Nine contracts were signed involving a total of 120 million U.S. dollars for projects of over ten million U.S. dollars each, including manufacturing airplanes and telecommunications facilities.

Canada's prime minister and parliamentary speakers met the delegation, and news briefings and seminars on investment in Liaoning were held in Montreal and Vancouver.

A French-language newspaper in Montreal city said Liaoning, an industrial base in north China, provides ample scope for Canadian entrepreneurs' abilities.

Wen Shizhen said that, to fuel economic expansion, Liaoning should import capital, equipment and technology and cultivate a group of new industries.

Accommodating about one tenth of China's state-owned medium- and large enterprises, and having abundant resources, such as iron, crude oil and coal, Liaoning is China's largest capital goods processing base.

Canada has financed some 70 ventures in Liaoning. The province has imported from Canada technological equipment worth 230 million U.S. dollars, and has received Canadian Government loans totalling 250 million U.S. dollars.

#### **Northeast Asia**

#### **Guizhou Governor Heads Economic Group to Japan**

*HK2211130994 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 18 Nov 94*

[FBIS Translated Excerpt] Governor Chen Shineng led a seven-member economic delegation of the Guizhou

Provincial Government in paying a friendly visit to Japan between 29 October and 3 November. During the visit, the delegation was extended a warm welcome by its hosts. In Nara, the delegation called on the prefectural magistrate, the speaker of the prefectural assembly, the prefectural chamber of commerce, and the leaders of Nara City. On 31 October, the delegation held a meeting to brief Japanese business circles about the current economic situation in Guizhou, after which Governor Chen Shineng answered questions. The delegation also visited Osaka and Nagoya and met with leaders of the local Japanese-Chinese trade promotion organizations and other leading Japanese businessmen. [passage omitted]

#### **Vice Finance Minister Meets Japanese Group**

*OW2211143394 Tokyo KYODO in English 1407 GMT 22 Nov 94*

[FBIS Transcribed Text] Beijing, Nov. 22 KYODO—China's Vice Finance Minister Liu Jibin has assured a Japanese mission that foreign companies' tax burden is unlikely to increase under the new tax system introduced early this year, mission members said Tuesday.

They said the remark was made when Liu met with the mission from the Japan Chamber of Commerce and Industry on Monday.

China instituted a 17 percent value-added tax in January, exempting products made by foreign-affiliated firms if they were for export. But Beijing said in August it would halt the preferential treatment for foreign firms.

The Chinese official said that value-added tax will be refunded to foreign companies if they were set up after the introduction of the tax.

He said that foreign firms that were established before the tax introduction will get a refund of any excess tax amount caused by the new tax system within five years. After that, the firms will be able to claim refunds of the value-added tax.

#### **Column Analyzes Japanese Officials' 'Indiscreet Remarks'**

*HK2211140394 Beijing RENMIN RIBAO in Chinese 8 Nov 94 p 6*

["Answering Readers' Questions" column by Zhao Kui (2507 1145): "Why Do Japanese Officials Repeatedly Made Indiscreet Remarks?"]

[FBIS Translated Text] [Question] Since the beginning of the year, senior officials of the Japanese cabinet have repeatedly made "indiscreet remarks," denying the historical fact that Japan launched an aggressive war or considering it "questionable." How should we account for this behavior?

[Zhao] In Japanese political circles over the past year or so, on the one hand, Prime Ministers Hosokawa, Hata,

and Murayama have acknowledged that the war Japan launched in the past was an "aggressive war" and an "erroneous war" with relative frankness and have conducted self-examination [fan xing 0646 4164] on their own. On the other hand, Nagano, and Sakurai have made "indiscreet remarks" one after another in order to reverse the verdict on the aggressive war and have deliberately taken a position which is contrary to the government on this important issue. Such abnormal behavior has jeopardized Japan's image throughout the world.

The major reason behind this behavior is that, in the decades since the end of World War II, the Japanese Government has never conducted serious self-examination and self-criticism on the historical issue of the aggressive war.

In the wake of its defeat in 1945, Japan went through the so-called "post-war reform," which, in actual fact, was not thorough. An important reason for this was that the U.S. occupational authorities at that time changed their policy of occupying Japan and did their best to build Japan into an anti-Soviet, anti-communist "bulwark" to meet the needs of the Cold War and went so far as to "convert the former enemy to a friend and an ally," thus, the issue of ideologically settling accounts with this World War II enemy was shelved.

For Japan's part, its conservative forces sided with the United States without reservation, and the issue of responsibility for the aggressive war "shelved" for dozens of years. That being the case, such thinking as the "great co-prosperity sphere of East Asia," and the "superiority of the Japanese nation," which have long become infamous in other countries, continue to hold sway among some Japanese politicians.

The lack of thoroughness in the transformation of the vanquished nation also found expression in the handling of the men involved. When the Korean War broke out, a large number of officials who had been weeded out because of their participation in the aggressive war resumed office, including several war criminals. Those people joined hands with the postwar conservatives and played the role of a "bridge" between prewar and postwar conservatives; consequently, a force of distorting the history of the aggressive war has taken shape within the conservative political parties.

In addition, some people who participated in the aggressive war or had been involved in it have failed to correctly view history. In their eyes, to negate the war means negating their own past. The generation that grew up in the postwar period has received a very limited education in the history of the aggressive war as an effect of having the conservative party in office for several decades. In addition, some officials in the Japanese Government have distorted history by revising text books; as a result, they lack an essential understanding of Japan's history in launching the aggressive war. It is precisely the conditions described above that have given

some Japanese politicians an ideal opportunity to distort historical facts and defend the aggressive war. Such being the case, it is not at all unusual that they have repeatedly made "indiscreet remarks."

#### **Shandong Secretary Meets With Korean Ambassador**

*SK2311020094 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 22 Nov 94*

[FBIS Translated Text] On 22 November at Jinan Qilu Guesthouse, Zhao Zhihao, secretary of the provincial party committee and governor of the provincial government, cordially met with Hwang Pyong-tae, Korean ambassador to China, and his party. Both the host and the guests held talks amid a friendly atmosphere.

Zhao Zhihao said: Economy and technology are the foundation for developing mutual cooperative relations. Strengthening the contacts in the cultural and education spheres can positively promote the development of cooperative ties. From now on, both sides should expand contacts and cooperation in increasingly more spheres.

During the meeting, Zhao Zhihao also introduced to Ambassador Hwang Pyong-tae and his party our province's open and economic development situation.

Vice Governor Zhang Ruifeng was present at the meeting.

#### **Hebei Secretary Meets With WPK Amity Delegation**

*SK2311115594 Shijiazhuang HEBEI RIBAO in Chinese 12 Nov 94 p 1*

[By reporter Han Yu (7281 3768): "Cheng Weigao Meets With the WPK Amity Delegation From the DPRK"]

[FBIS Translated Text] On the afternoon of 11 November at the provincial Foreign Affairs Office, Cheng Weigao, secretary of the provincial party committee, met with the amity delegation of the Workers' Party of Korea [WPK] from the DPRK, headed by Yi Yong-su, deputy director of the International Department of the WPK Central Committee.

Cheng Weigao said: "I am very glad to see you in Hebei. Your visit to China has not only deepened the friendship between the Chinese and Korean parties and between the peoples of the two countries, but also made new contributions to enhancing the mutual understanding and strengthening cooperation.

"When visiting your country not long ago, I was warmly received by the relevant departments under the WPK. During my stay in the DPRK, I pleasantly saw that under the leadership of great leader Kim Il-song and the dear leader Kim Chong-il, all undertakings were developing vigorously, the political situation and society were stable, the people abided by discipline, and the spiritual civilization was well promoted.



"Under the leadership of the party Central Committee, with Comrade Jiang Zemin as its nucleus, the Chinese people are now concentrating their efforts on developing economic construction. We persistently take economic construction as a key link, persistently carry out the reform and opening up policies, and adhere to the four cardinal principles. The market economy we are carrying out is a socialist market economy, and is being developed on the premise of ensuring the development of the state sector of the economy and the common wealth of the people. We hope our Korean comrades will make more tours in Hebei so as to further understand us. Simultaneously, you are welcome to give us more precious suggestions."

Yi Yong-su stated: "We are very glad that Comrade Cheng Weigao is able to meet with us, despite the many claims on his time. I am going to take this opportunity to give our people's regards to the people of Hebei. As soon as we arrived in China, we had a feeling of returning home, and deeply experienced the friendship of the Chinese people. Through visits, we understand that under the leadership of the CPC, the Chinese people have made new successes in building the spiritual and material civilization. We regard these achievements as our own."

"The friendship between the Chinese and Korean peoples has been forged with the painstaking efforts of the older generations and the peoples of the two countries. We must continue to persist in the friendship."

Finally, Cheng Weigao asked the delegation to pass on the Hebei people's good wishes to Comrade Kim Chong-il, wished him good health and success, and also wished he would continue to make new successes in guiding the Korean people to promote the socialist construction.

#### **Beijing Mayor Arrives in Seoul for Visit**

SK2311062694 Beijing BEIJING RIBAO in Chinese 11 Nov 94 p 1

[Report by Sun Yushan (1327 3768 1472): "Beijing Municipal Delegation Arrives in Seoul for a Visit"]

[FBIS Translated Text] On the afternoon of 10 November Li Qiyang, mayor of Beijing Municipality, arrived in Seoul, the capital of the ROK, as head of the delegation of the Beijing Municipal Government. He called on Choe Pyong-yol, mayor of Seoul, and both signed the memorandum of understanding on 1995 Beijing-Seoul exchange projects.

Mayor Choe Pyong-yol extended a warm welcome to Mayor Li Qiyang and the delegation of the Beijing Municipal Government. He said: There is a long history of friendly contacts between the ROK and China. Particularly since the establishment of diplomatic ties, the two countries have had even closer contacts. Despite the rapid development and changes in the world, the Chinese people have achieved prominent results in gearing up the prosperity and development of the country. We

express our admiration for this. The forthcoming 21st century will be the Asian-Pacific era. In this era, the ROK and China will play a key role. The cooperation between the peoples of our two countries has tremendous potential.

Mayor Li Qiyang thanked the host for his warm reception. He said: This year marks the 600th anniversary of the founding of Seoul as the capital, as well as the first anniversary of the establishment of friendly ties between Beijing and Seoul. Following the successful visit by Chinese Premier Li Peng to the ROK, the current visit by the delegation of the Beijing Municipal Government will further promote the friendly cooperation between the peoples and the capitals of the two countries and will accelerate the economic development of both sides. China and the ROK are important Asian countries. Strengthening the cooperation between China and the ROK is not only conducive to the peoples of the two countries, but also plays a key role in developing the Asian-Pacific region. The 20th century is about to end, and the 21st is about to arrive. Both China and the ROK should lead cooperation into the new century. Under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, Beijing dwellers are now making great efforts to deepen reform and expand opening up with a view to building Beijing into a modernized city. However, China is a developing country, and Beijing is a developing city. There is still a long way to go to attain our goal. Thus, we should make even greater efforts to carry out reform and opening up and to accelerate development. We will learn from Seoul's experience in urban construction and economic development and will strengthen the cooperation between the two cities. The cooperation between Beijing and Seoul, capitals of the two countries, will push forward the friendly contacts between the two countries.

At the great hall of the Seoul government, Mayor Li Qiyang and Mayor Choe Pyong-yol signed the memorandum of understanding on 1995 Beijing-Seoul exchange projects. On behalf of Seoul's people, Mayor Choe Pyong-yol conferred the title of honorary citizen and a certificate to Mayor Li Qiyang.

That very afternoon, Mayor Li Qiyang also called on Paek Chang-hyun, speaker of the legislative assembly of Seoul. They had a cordial and friendly talk. Yi Xiqun and Zang Hongge, assistants to the mayor, also attended the activities held that afternoon.

#### **ROK Premier Yi Yong-tok Meets Beijing Mayor**

SK2311113894 Beijing BEIJING RIBAO in Chinese 13 Nov 94 p 1

[By report Sun Yushan (1327 3768 1472): "ROK Prime Minister Meets Li Qiyang"]

[FBIS Translated Text] On the morning of 12 November at the First Government Integrated Building, Yi Yong-tok, prime minister of the ROK, cordially met with Li

Qiyang, mayor of Beijing Municipality, and members of the delegation of the Beijing Municipal Government.

Prime Minister Yi Yong-tok stated: Not long ago, Chinese Premier Li Peng paid a visit to our country; his visit promoted the development of friendly relations between the ROK and the PRC. This time, Mayor Li Qiyang will lead the delegation of the Beijing Municipal Government to visit Seoul and to hold the "Beijing Week Activities" in Seoul. This will further deepen the friendly cooperation between the Korean and Chinese peoples and between Seoul and Beijing. Although Korea and China established diplomatic ties not long ago, there is a long history of friendly contacts between our two countries. Thus, the friendly relations between our two countries should be even closer.

Prime Minister Yi Yong-tok added: During my visit to Beijing last year, I caught sight of the great changes and rapid development taking place in Beijing over the past few years. High-speed development will also bring common problems for our respective countries. We hope Beijing will exchange views with Seoul, and will conduct studies together with Seoul, in order to build Seoul and Beijing in an even better manner. The ROK and the PRC, as well as Seoul and Beijing, should strengthen mutual cooperation and strive for common progress. He pledged to do his best to support the two capitals to develop friendly cooperative relations.

Mayor Li Qiyang said: Not long ago, Premier Li Peng successfully visited the ROK. Because the PRC and the ROK are neighbors, developing good-neighborly, friendly, and cooperative relations between the two countries is in agreement with the aspirations and fundamental interests of the peoples of the two countries. Our current visit is devoted to commemorating the centenary of designating Seoul as the national capital, and the first anniversary of establishing friendly ties between Beijing and Seoul. On 11 November, under the great support of personages from various circles, the "Beijing Week Activities" and the seminar on Beijing's investment environment ceremoniously opened in Seoul. This will further promote exchanges and cooperation between the two cities.

Mayor Li Qiyang added: With a long history, Seoul is developed in its economy and beautiful in its scenery, leaving a deep impression on us. We should use the good experiences of Seoul as a reference to accelerate the development of Beijing. We hope that through friendly contacts, Beijing and Seoul will make contributions to continuously promote relations between the PRC and the ROK.

Prime Minister Yi Yong-tok expressed: It is very important to strengthen economic and political contacts between the two cities. However, the leeway in cultural and educational exchanges is also vast. We hope the exchanges in the cultural and educational fields will be strengthened.

Mayor Li Qiyang agreed with the opinions of Prime Minister Yi Yong-tok and expressed the hope that the two cities would further strengthen the exchanges in the fields of science and technology, education, and culture.

#### **Liu Shuqing Meets ROK Visitors**

OW2211152294 Beijing XINHUA in English 1219  
GMT 22 Nov 94

[FBIS Transcribed Text] Beijing, November 22 (XINHUA)—Liu Shuqing, president of the Chinese People's Institute of Foreign Affairs, held talks here today with Kim Myung-yun, senior vice-president of the Advisory Council on Democratic and Peaceful Reunification.

Kim, leading a delegation of celebrities from the Republic of Korea, arrived here earlier today.

#### **Northeast Asia**

#### **RENMIN RIBAO Hails Jiang's Southeast Asian Tour**

OW2211184494 Beijing XINHUA in English 1812  
GMT 22 Nov 94

[FBIS Transcribed Text] Beijing, November 23 (XINHUA)—Chinese President Jiang Zemin's successful visit to four Southeast Asian countries will push China's friendly and good-neighborly ties with them to a new stage of development, the PEOPLE'S DAILY [RENMIN RIBAO] said today.

President Jiang visited Singapore, Malaysia, Indonesia and Vietnam from November 8 to 22.

The leading Chinese newspaper said Jiang's visit will also have a major impact on China's relations with other countries in Southeast Asia, and contribute to peace, stability and development in the region.

The primary objective of Jiang's visit was to consolidate and develop China's friendly and neighborly relations with all countries in Southeast Asia, strengthen mutually beneficial cooperation and promote common development, the paper said in an editorial.

During his tour, Jiang held in-depth talks with the leaders of the four countries and exchanged views on international issues, regional situation and bilateral cooperation.

They have reached consensus on a wide-range of issues, promoted mutual understanding and trust, broadened the scope of bilateral cooperation and laid a solid foundation for common development and progress in the future, the paper said.

President Jiang reiterated during his visit that China will continue to seek mutual support and common progress with the Southeast Asian countries and that the internal affairs of these countries should be handled only by their own people.



Jiang stressed that the problems and disputes in this region should be solved peacefully through consultations and dialogues. If the problems and disputes cannot be settled soon, they should be shelved for the time being and should not be allowed to adversely affect the normal development of bilateral relations.

Economy is playing an increasing role in international relations and the Asia-Pacific region has become the fastest-growing and most dynamic area in the world, the PEOPLE'S DAILY pointed out. China insists that protectionism and discrimination should have no place in international trade and economic affairs.

The paper added that neither global multilateral trade arrangements nor regional economic and trade cooperation should be closed ones. Instead, the principle of openness, equality and mutual benefit should be observed.

The paper said Jiang's successful visit shows once again that China is willing to work together with all countries in Southeast Asia, in Asia as a whole and in the rest of the world in preserving peace and stability and promoting development and prosperity.

#### Domestic Version

OW2311004394 Beijing XINHUA Domestic Service in Chinese 1534 GMT 22 Nov 94

[RENMIN RIBAO 23 November Editorial: "Strengthening Good-Neighborliness and Friendship, and Promoting Common Development—Warmly Congratulating President Jiang Zemin on the Complete Success of His Four-Nation Southeast Asian Tour"]

[FBIS Translated Text] Beijing, 22 Nov (XINHUA)—President Jiang Zemin has successfully concluded his visit to Singapore, Malaysia, Indonesia, and Vietnam. This successful trip of President Jiang's will bring China's good-neighborly and friendly relations of cooperation with the aforementioned four nations into a new development stage. It will also have an important impact on China's relations with other Southeast Asian countries and on safeguarding peace, stability, and development in the region.

The main purpose of President Jiang's visit was to consolidate and develop China's good-neighborly and friendly relations with Southeast Asian countries, strengthen mutually beneficial cooperation, and promote common development. President Jiang held in-depth and friendly talks with Singaporean, Malaysian, Indonesian, and Vietnamese leaders. He sincerely exchanged views with them on international issues of common interest, regional situations, and bilateral cooperation, thereby reaching a broad consensus, deepening mutual understanding, enhancing mutual trust, broadening the scope of bilateral cooperation, and further laying a solid foundation for common development and progress in the future.

Southeast Asian countries are China's important neighbors. Developing good-neighborly and friendly relations with Southeast Asian countries and strengthening mutually beneficial cooperation with these countries are important parts of China's foreign policy. China and Southeast Asian countries share common views on many international and regional issues. China hopes for stability, prosperity, and development in Southeast Asian countries; likewise, a stable and fast-developing China is a positive factor that promotes peace, stability, and development in the region and even in the world at large, and is in keeping with the interests of people in Southeast Asian countries. At this turn-of-the-century historic moment, we are willing to work with Southeast Asian countries to foster good-neighborly and friendly relations of cooperation geared toward the 21st century. President Jiang's recent Southeast Asian tour once again demonstrated this sincere wish of China's.

Differences and dissimilarities exist among Southeast Asian countries in historical traditions, cultural origins, social systems, development levels, religious beliefs, and values. Instead of obstructing mutual understanding and mutually beneficial cooperation, these differences and dissimilarities have, nonetheless, enriched and animated exchanges and cooperation among the countries. Practice has incontrovertibly proven that countries can overcome various differences and dissimilarities and embark on the path of mutual respect, harmonious coexistence, and joint development as long as they strictly observe the principles of mutual respect for sovereignty and territorial integrity, mutual nonaggression, noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence.

During the trip, President Jiang reiterated that China would, as always, show mutual support and seek common development with Southeast Asian countries. China firmly advocates that the internal affairs of Southeast Asian countries should only be solved by the people of those countries, and that relevant countries should seek peaceful solutions to some existing problems and differences through consultation and dialogue as they consider the general interests of safeguarding the common interests of people in various countries and regional stability and development; take a farsighted and forward-looking approach; seek common ground while reserving differences; and broaden their consensus. Differences that cannot be ironed out for the time being can be shelved temporarily without letting them affect the normal development of bilateral relations.

At present, the international situation is still undergoing profound changes. The world is moving faster toward multipolarity. The leading roles of economic factors in international relations continue to grow. Safeguarding peace, strengthening cooperation, and promoting development remain the major tasks facing the present-day world. Economically, the Asia-Pacific region has become the fastest-growing and most dynamic part of the world. During the trip, President Jiang said that China favors

the abolition of trade protectionism and discriminatory policies in trade in the international economy. Whether in global multilateral trade arrangements or regional economic cooperation and trade, no exclusive practices should be allowed, and the principles of opening up to the outside world, equality, and mutual benefit should be implemented. China's fruitful results in cooperation with Southeast Asian countries embody these principles.

The world is faced with the dawn of a new era. Historically, Asian countries have nurtured splendid Oriental cultures. The vibrant Southeast Asian countries are now thriving. President Jiang's recent successful trip once again demonstrated that China is willing to work with Southeast Asian and other Asian countries, as well as the rest of the world, to safeguard peace and stability, promote prosperity and development, and jointly usher in a bright future in a spirit of mutual respect, equality, and mutual benefit.

#### **Commentary Lauds Jiang Zemin's Asia Trip**

HK2311082994 Beijing CHINA DAILY in English 23 Nov 94 p 4

[Commentary: "A Successful Trip"]

[FBIS Transcribed Text] President Jiang Zemin is back home from a trip to Southeast Asia.

In two weeks' time, he visited four countries—Singapore, Malaysia, Indonesia, and Vietnam. Meanwhile, he attended the informal Asia-Pacific Economic Cooperation (APEC) leadership forum in between and had separate meetings with many leaders of APEC.

Jiang's visits constitute an important diplomatic action on the part of our government this year to further consolidate friendly relations with the countries in the Asian and Pacific region. Obviously, Jiang's visits were most successful in that this aim has been achieved.

During his trip Jiang seized every opportunity to reaffirm China's commitment to peace and stability in the region and the whole world and to good, long-term, neighbourly ties with them.

On more than one occasion, Jiang reiterated that China is concentrating all its energy on economic construction at home; and for this reason it is very much in need of a peaceful international environment.

China is consistently against the use of force or the threat of force in relations among nations. If no settlement can be reached for the time being on certain issues, let them be shelved while common ground is sought so that normal state-to-state relations aren't ill-affected.

Even though China will be more prosperous and stronger in the next century, it will never seek hegemony. Rather, China will continue to pursue the independent policy of peace.

"Our commitment to developing good-neighbourly relations with surrounding countries is by no means an expedient but rather an imperative choice that is in compliance with the call of the times and best suits the long-term interests of the Chinese people and the people of other nations in this region," Jiang stressed.

Judging from China's actual circumstances, our southern neighbours can reckon that Jiang's assurances are sincere and convincing.

On this basis the friendly and cooperative ties between China and these countries will further flourish in the future, in the interests of all sides.

The Asia-Pacific Economic Cooperation forum has been playing an increasingly important role in the economic cooperation and development of its members since its establishment five years ago in November, 1989.

At its second summit last Wednesday, the Bogor Declaration of Common Resolve was adopted. This calls for free and open trade and investment in the region not later than the year 2020. President Jiang voiced China's support for the trade liberalization proposal. He suggested that this process should be completed at different paces in the respective countries.

Jiang also put forward five principles for economic cooperation of APEC members.

The gist is to recognize the diversity and interdependence in Asia and the Pacific region and the relevant ways to deal with such a reality. His ideas were well received in the summit and largely reflected in the declaration.

Jiang promised that China will join hands with other APEC members to strive for a splendid future for the Asian and the Pacific regions.

Sino-American relations have improved since the presidents of the two countries, Jiang Zemin and Bill Clinton, met in Seattle last year.

Clinton did a wise thing to delink most-favoured-nation status for China from the human rights issue.

This shows that after some deviations, the Clinton administration has come to realize that to forge stable and constructive ties with China meets the national interests of the United States itself.

At their meeting last Monday, Jiang told Clinton in very plain terms that strained relations between the two will do neither side any good. On the contrary, to improve relations will not only benefit the two nations themselves but also the rest of the world.

Jiang reiterated China's desire to enhance confidence, reduce trouble, promote cooperation, and refrain from confrontation with the United States. Sino-American

ties certainly will further improve if the American side agrees to this formulation as the guideline for the relations of the two.

While abroad, Jiang said the message he took from the Chinese people to the people of the Asian and Pacific regions and the rest of the world is peace, friendship, cooperation, and development. As this message circulates it will result in a better understanding between China and other countries in the region.

#### Various Leaders End Visits to Burma

##### CPPCC Vice Chairman Ends Visit

OW2311112094 Beijing XINHUA in English 1057 GMT 23 Nov 94

[FBIS Transcribed Text] Yangon [Rangoon], November 23 (XINHUA)—Vice-Chairman of the Chinese People's Political Consultative Conference and Vice-President of the Chinese Association for International Understanding Wan Guoquan and his party left here for home today after their eight-day goodwill visit to Myanmar [Burma].

At the invitation of the Myanmar Foreign Ministry, the delegation of the Chinese Association for International Understanding, arrived here last Wednesday [16 November] to pay a goodwill visit to Myanmar.

During the visit, Secretary-1 of Myanmar State Law and Order Restoration Council (SLORC) Lieutenant-General Khin Nyunt met Wan Guoquan and his party on Tuesday.

A roundtable discussion between the Chinese delegation and the Myanmar Institute of Strategic and International Studies (MISIS) on the developments in Myanmar and China was held here last Friday.

The Chinese delegation visited Yangon, Mandalay and Pagan during their stay in the country.

##### Sports Group Ends Visit

OW2311121394 Beijing XINHUA in English 1136 GMT 23 Nov 94

[FBIS Transcribed Text] Yangon [Rangoon], November 23 (XINHUA)—Chinese sports delegation concluded its five-day visit to Myanmar [Burma] on Wednesday [23 November].

Led by Wu Shaozu, minister in charge of the State Physical Culture and Sports Commission and president of Chinese Olympic Committee, the Chinese sports delegation arrived at Yangon last Friday.

During the visit, the Secretary of Myanmar State Law and Order Restoration Council (SLORC) Lieutenant-General Khin Nyunt met the Chinese guests.

#### Song Fatang Returns to Shandong From Singapore

SK2311020194 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 22 Nov 94

[FBIS Translated Text] After winding up his visit to Singapore, Song Fatang, deputy secretary of the provincial party committee and executive vice governor of the provincial government, returned to Jinan a few days ago.

This time, Song Fatang visited Singapore to attend the second plenary meeting of the Singapore-Shandong economic and trade board of directors. Since last year, when the Singapore-Shandong economic and trade board of directors was established, Singapore and Shandong have made rapid developments in economic and trade cooperation. This year, Singapore ranks second among foreign countries in terms of investment in Shandong and ranks first in terms of average investment in Shandong's projects.

This meeting deeply discussed plans and suggestions for mutual cooperation. Both Singapore and Shandong also conducted detailed discussions with representatives from Australia and South Australia on the topic and format for economic and trade cooperation, as well as on projects.

Goh Chok Tong, Prime Minister of Singapore; Lee Hsien Loong, Deputy Prime Minister of Singapore; and Yeo Cheow Tong, minister of trade and industry, respectively met with Song Fatang during his visit in Singapore. They also exchanged views on cooperation in the future. During his visit in Singapore, Song Fatang also attended the signing ceremony on two major projects with investment jointly offered by Singapore and our province.

#### Suzhou Industrial Park's Plan Passes Inspection

OW2311040094 Beijing XINHUA in English 0350 GMT 23 Nov 94

[FBIS Transcribed Text] Beijing, November 23 (XINHUA)—A detailed plan for the first phase of construction of an industrial park, a joint venture between China and Singapore, passed an inspection by experts over the weekend in Suzhou City, in east China's Jiangsu Province.

The plan, involving transport, environmental protection, power supply, post and telecommunications, public facilities, water works, land management, and related construction concerns, will be implemented soon, local officials said.

Experts on the panel believe that the plan, drafted by three Singapore organizations and related departments of Suzhou City, accords with requirements concerning urban planning in China and has combined Singapore's experience in urban planning, design, and management, and has met state-set requirements.



For improvements, the experts suggested the inclusion of a comprehensive program of roads and pipelines with emphasis given to the junctions of roads.

A cooperative agreement on development of the industrial park was signed in Beijing by the Chinese and Singaporean Governments on February 26 this year.

located in an eastern suburb of the city, the industrial park occupies 70 sq km of land and is to be developed in three stages. Land development in the first phase will cover eight sq km.

Building of workshops in the industrial park started in mid-August of this year after a number of preparatory projects, including infrastructure facilities, had been completed.

The park will have modern industries as its main components with high-technology ones leading the other sectors.

### **Jiang Zemin Expects Promotion of Sino-SRV Ties**

OW2211133294 Beijing XINHUA in English 1259  
GMT 22 Nov 94

[FBIS Transcribed Text] Hanoi, November 22 (XINHUA)—Chinese President Jiang Zemin said here today that the good-neighborly and friendly relations between China and Vietnam will be promoted to a higher level after his visit to Hanoi.

Speaking to local reporters at the end of his four-day official goodwill visit to Vietnam, Jiang stressed that direct talks between leaders of the two countries "have deepened our mutual understanding."

During the visit, Jiang said, the two sides reached broad agreement on the issue of further consolidating and strengthening the friendly and cooperative ties between the two countries.

He said they agreed to establish a long-term, stable, good-neighborly and friendly relationship between their two countries with the 21st century in perspective.

"I believe this visit will contribute to promoting the relations between the two countries to a new level," the Chinese president said.

Jiang said that during his talks with Vietnamese leaders, he proposed that both sides ascend to a higher position in order to have a broader view, and seek to promote bilateral friendship and cooperation, particularly in the fields of economy and trade.

As to problems between the two countries, he said, both sides should place above everything else the interests of Sino-Vietnamese friendship and regional peace and stability, and seek solution through consultation.

Problems that cannot be settled quickly can be shelved up first, he added.

Jiang noted that he won positive responses from Vietnamese leaders to his positions and that the two sides reached consensus.

The president said he believed that with common efforts of both sides, Sino-Vietnamese relations can become still better during the 21st century.

In answer to a question regarding the relationship between Vietnam and the Association of Southeast Asian Nations (ASEAN), Jiang said China welcomes the development of relations between the two over the past few years.

As for the prospects of development and cooperation in the Asia-Pacific region, Jiang said the political situation in the region is relatively stable, the economy as a whole is growing rapidly and trade and investment is maintaining an upward trend.

Regional economic cooperation will surely be able to grow in a sustained, sound manner as long as full consideration is given to the diversity of the region as well as the interests of various economies there, Jiang said.

Vietnam is the last leg of Jiang's 14-day four-nation Asian tour, which had also taken him to Singapore, Malaysia and Indonesia.

### **Beijing, Hanoi Issue Joint Communiqué**

OW2211150594 Beijing XINHUA in English 1456  
GMT 22 Nov 94

[FBIS Transcribed Text] Hanoi, November 22 (XINHUA)—China and Vietnam issued a joint communiqué here today, pledging to push the development of bilateral relations toward greater scope and depth with the 21st century in perspective.

The communiqué, issued at the end of Chinese President Jiang Zemin's visit to Vietnam, said the two sides agreed that further growth of friendship and mutually-beneficial cooperation between the two countries conforms to the fundamental interests of the two countries and benefits peace, stability and development in the region.

The two sides agreed to search for an early settlement of border issues in line with the related agreement signed by the two countries.

They pledged not to take action which would complicate and worsen their disputes and not to resort to force or threat to use force in solving disputes.

They also agreed that differences between them should not hinder the normal development of bilateral ties.

In the communiqué, the Vietnamese side reiterated that Vietnam recognizes the government of the People's Republic of China as the sole legitimate government representing whole China and Taiwan as an inseparable part of the Chinese territory.

In the communique, the two sides also agreed to take effective measures to ensure the implementation of various agreements on economic, trade and technological cooperation between the two countries.

### XINHUA Replaces Item on Jiang Interview

#### Original Version

OW2211191394 Beijing XINHUA Domestic Service in Chinese 1217 GMT 22 Nov 94

[Beijing XINHUA Domestic Service in Chinese at 1405 GMT on 22 November carries a service message replacing this item]

[FBIS Translated Text] Hanoi, 22 Nov (XINHUA)—On 22 November, before the conclusion of his visit to Vietnam, China's President Jiang Zemin was interviewed by Vietnamese reporters. He said the visit would help raise the Sino-Vietnamese good-neighborly and friendly relationship to a new level.

Jiang Zemin added that the direct talks between the leaders of the two countries has deepened their mutual understanding. During the visit, both sides reached an extensive consensus on further consolidation and enhancement of the friendly and cooperative relationship between the two countries; both sides unanimously agreed to establish a long term and stable good-neighborly and friendly relationship by looking toward the 21st century. Jiang Zemin expressed the belief that the visit would raise the relationship between the two countries to a new level.

Jiang Zemin said that during his talks with the Vietnamese leaders, he proposed that both sides take a farsighted view, promote friendship, and enhance cooperative relations, particularly in the economic and trade areas. As for the existing problems between the two countries, both sides should, putting the general interest of the Sino-Vietnamese friendship and developing regional peace and stability first, solve them through consultations; as for those problems that cannot be solved for the time being, they can be shelved.

Jiang Zemin said his above thinking had received a positive response from the Vietnamese leaders, and that both sides reached a consensus. He said he believed that the Sino-Vietnamese relationship in the 21st century will be more beautiful [geng jia mei hao 2577 0502 5019 1170] through both sides' common efforts.

When asked about the prospects for China's economic development and the relationship with Vietnam and other Southeast Asian countries, Jiang Zemin said: The 1990's of the 20th century and the middle half of the 21st century is the historical period for the rejuvenation of the Chinese nation. Economically, we have realized the first-stage strategic goal of doubling the GNP ahead of schedule, and we have basically solved the problem of providing enough food and clothing for our people. We are also striving to realize the second-stage strategic goal

of another doubling of the GNP ahead of schedule and of making our people lead a comparatively well-off life by the end of this century.

Jiang Zemin said that in 10-20 years' time, China will have had a complete set of more mature and more finalized systems in all fields and its ability to control the market economy will have been greatly enhanced. This will ensure the sustained, stable, and rapid growth [chi xu wen ding di kuai su zeng zhang 2170 4958 4489 1353 0966 1816 6643 1073 7022] of our economy and our overall national strength will be greatly enhanced. During that period, China, Vietnam, and other Southeast Asian countries will all experience great progress and development. By that time, the good-neighborly, friendly, and mutually beneficial cooperative relations will experience greater development.

When asked about his general impression of Vietnam, Jiang Zemin said: Vietnam has made rapid development in its undertaking of reform and opening up; its remarkable achievements have drawn the people's attention. He said that he believes that under the Vietnamese Communist Party's leadership, the Vietnamese people will surely realize the goal of "a strong country and a rich people" through their own hard struggle.

When questioned about the establishment of socialism with Chinese characteristics and about the development of a socialist market economic system, Jiang Zemin said that socialism with Chinese characteristics, in a nutshell, is to persist in making the economic construction the central task, to develop a socialist market economy, socialist democratic politics, socialist spiritual civilization, and to build China into a strong, wealthy, democratic, and civilized socialist modernized country (fu qiang min zhu wen min de she hui zhu yi xian dai hua qiang guo 1381 1730 3046 0031 2429 2494 4104 4357 2585 0031 5030 3807 0108 0553 1730 0948).

Jiang Zemin said: Establishment of a socialist market economic system is a pioneering undertaking. We are now making an active exploration. In the course of practice, we pay attention to the following points: First, we proceed from China's reality and pay attention to borrowing all useful experiences from the countries in the world. Second we persist in making the economic construction the central task and we use a standard to judge all reform measures to see if they are conducive to raising the people's living standards. This has been used as a yardstick to judge all reform measures. Third, we correctly handle the relationship between reform, development, and stability and make them promote each other. Fourth, we respect the people's pioneering spirit, timely sum up experiences, and promote the progress of reform in a positive, steady, and orderly manner. I am convinced that as long as we grasp well those points, we will surely advance smoothly along the path proposed by Comrade Deng Xiaoping on building socialism with Chinese characteristics.

Replying to a question on Hanoi and Beijing becoming friendship cities and developing mutually beneficial



cooperative relations, Jiang Zemin said that as the capitals of two developing countries, both sides should increase exchanges and strengthen cooperation in the areas of economy, trade, science, technology, culture, education, urban construction and management in particular, so as to promote socialist development and economic prosperity in both cities.

When asked about the prospects for development and cooperation in the Asia-Pacific region and about the relations between Vietnam and ASEAN, Jiang Zemin said the Asia-Pacific regions enjoy relative stability, high economic growth, and maintains a relatively good momentum in trade and investment growth. The economic cooperation in the Asia-Pacific region will develop in a healthy and lasting way as long as the special characteristics of the diversity in this region are fully attended to and the actual interests of the individual countries in the region are also taken care of. We welcome the development of relations between Vietnam and the ASEAN countries in recent years.

#### Replacement Version

OW2211194194 Beijing XINHUA Domestic Service in Chinese 1405 GMT 22 Nov 94

[By reporters Wei Guoqiang (7614 0948 1730) and Duan Jiyong (3008 0679 0516); Beijing XINHUA Domestic Service in Chinese at 1405 GMT on 22 November carries a service message replacing the above item with the following]

[FBIS Translated Text] Hanoi, 22 Nov (XINHUA)—On 22 November, before the conclusion of his visit to Vietnam, China's President Jiang Zemin was interviewed by Vietnamese reporters. He said the visit would help raise the Sino-Vietnamese good-neighborly and friendly relationship to a new level.

Jiang Zemin added that the direct talks between the leaders of the two countries has deepened their mutual understanding. During the visit, both sides reached an extensive consensus on further consolidation and enhancement of the friendly and cooperative relationship between the two countries; both sides unanimously agreed to establish a long term and stable good-neighborly and friendly relationship by looking toward the 21st century. Jiang Zemin expressed the belief that the visit would raise the relationship between the two countries to a new level.

Jiang Zemin said that during his talks with the Vietnamese leaders, he proposed that both sides take a farsighted view, promote friendship, and enhance cooperative relations, particularly in the economic and trade areas. As for the existing problems between the two countries, both sides should, putting the general interest of the Sino-Vietnamese friendship and developing regional peace and stability first, solve them through consultations; as for those problems that cannot be solved for the time being, they can be shelved.

Jiang Zemin said his above thinking had received a positive response from the Vietnamese leaders, and that both sides reached a consensus. He said he believed that the Sino-Vietnamese relationship in the 21st century will be more beautiful [geng jia mei hao 2577 0502 5019 1170] through both sides' common efforts.

When asked about the prospects for China's economic development and the relationship with Vietnam and other Southeast Asian countries, Jiang Zemin said: The 1990's of the 20th century and the middle half of the 21st century is the historical period for the rejuvenation of the Chinese nation. Economically, we have realized the first-stage strategic goal of doubling the GNP ahead of schedule, and we have basically solved the problem of providing enough food and clothing for our people. We are also striving to realize the second-stage strategic goal of another doubling of the GNP ahead of schedule and of making our people lead a comparatively well-off life by the end of this century.

Jiang Zemin said that in 10-20 years' time, China will have had a complete set of more mature and more finalized systems in all fields and its ability to control the market economy will have been greatly enhanced. This will ensure the sustained, stable, and rapid growth [chi xu wen ding di kuai su zeng zhang 2170 4958 4489 1353 0966 1816 6643 1073 7022] of our economy and our overall national strength will be greatly enhanced. During that period, China, Vietnam, and other Southeast Asian countries will all experience great progress and development. By that time, the good-neighborly, friendly, and mutually beneficial cooperative relations will experience greater development.

When asked about his general impression of Vietnam, Jiang Zemin said: Vietnam has made rapid development in its reform and opening undertaking; its remarkable achievements have drawn the people's attention. He said that he believes that under the leadership of the Vietnamese Communist Party the Vietnamese people will surely realize the goal of "a strong country and a rich people" through their own hard struggle.

When inquired about the establishment of socialism with Chinese characteristics and about the development of a socialist market economic system Jiang Zemin said the socialism with Chinese characteristics, in a nutshell, is to persist in making the economic construction as the central task, to develop a socialist market economy, socialist democratic politics, socialist spiritual civilization, and to build China into a strong, wealthy, democratic, and civilized socialist modernized country (fu qiang min zhu wen min de she hui zhu yi xian dai hua qiang guo 1381 1730 3046 0031 2429 2494 4104 4357 2585 0031 5030 3807 0108 0553 1730 0948).

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borrowing all useful experiences from the countries in the world. Second we persist in making the economic construction the central task. Whether or not a reform measure is conducive to developing the social productive force, to increasing the overall national strength, or to raising the people's living standards is the yardstick to judge all reform measures. Third, we correctly handle the relationship between reform, development, and stability and make them promote each other. Fourth, we respect the people's pioneering spirit, timely sum up experiences, and promote the progress of reform in a positive, steady, and orderly manner. I am convinced that as long as we grasp well those points, we will surely advance smoothly along the path proposed by Comrade Deng Xiaoping on building socialism with Chinese characteristics.

Replying the question of Hanoi and Beijing becoming friendship cities and developing mutually beneficial cooperative relations, Jiang Zemin said as the capitals of two developing countries, both sides should increase exchanges and strengthen cooperation in the areas of economy, trade, science, technology, culture, education, urban construction and management in particular, so as to promote socialist development and economic prosperity in both cities.

When asked about the prospects about the development and cooperation in the Asia-Pacific regions and about the relations between Vietnam and the ASEAN, Jiang Zemin said the Asia-Pacific regions enjoy relative stability, high economic growth, and maintain a relatively good momentum in trade and investment growth. The economic cooperation in the Asia-Pacific regions will develop in a healthy and lasting way as long as the special characteristics of the diversity in this region are fully attended to and the actual interests of the individual countries in the region are also being taken care of. We welcome the development of relations between Vietnam and the ASEAN countries in recent years.

#### Foreign Minister Qian Qichen Hold News Conference

##### Comments on Jiang's Trip

OW2311020294 Beijing XINHUA Domestic Service in Chinese 1348 GMT 22 Nov 94

[By reporters Wei Guoqiang (7614 0948 1730) and Duan Jiyong (3008 0679 0516)]

[FBIS Translated Text] Hanoi, 22 Nov (XINHUA)—Qian Qichen, Chinese vice premier and minister of foreign affairs, who is accompanying President Jiang Zemin on his visit, held a news conference in Hanoi today to give a briefing on the achievements of President Jiang's visit. He also answered reporters' questions.

Qian Qichen said: President Jiang Zemin will soon wind up his official goodwill visit to Vietnam. China and Vietnam have issued a joint communique regarding the

visit and its outcome. Prior to this, President Jiang Zemin visited Singapore, Malaysia, and Indonesia, as well as attended the informal leadership meeting of the Asia-Pacific Economic Cooperation in Bogor, Indonesia, and held bilateral meetings with some state leaders. President Jiang has achieved the goal of strengthening good neighborly relations and friendship as well as promoting regional economic cooperation during his current tour of Southeast Asia.

Answering a question on what measures China and Vietnam have taken to further develop bilateral good neighborly relations and friendship, Qian Qichen said: The two sides have adopted measures in three areas. First, leaders of the two countries are prepared to maintain frequent contacts. Second, the two countries have signed agreements, including one on establishing an economic and trade cooperation committee, which will further promote the development of bilateral economic and trade relations. Third, the two sides have agreed to enhance trust, establish essential mechanisms, as well as peacefully solve some existing problems through negotiations, dialogue, and consultations.

When he was asked how China and Vietnam are going to solve the territorial and border issues, Qian Qichen said: There are disputes [zheng yi 3630 6231] between China and Vietnam on land borders, Beibuwan [Gulf of Tonkin], and offshore islands. However, leaders of the two sides have agreed in principle to gradually solve these problems through friendly consultations and talks, taking the interests of both sides into consideration. Qian said that based on this principle, he reached agreement with Vietnamese Foreign Affairs Minister Nguyen Manh Cam during their meeting yesterday. The two sides have decided to establish a working committee to discuss the Spratly Islands issue, based on the existing working committees on land borders and on Beibuwan. The establishment of these three committees will create conditions for gradually solving problems between the two countries.

Qian Qichen said: The most important point of the Sino-Vietnamese Joint Communique is that leaders of the two countries have reached consensus that, as China and Vietnam are faced with the common task of developing the economy and raising the people's living standards, it complies with the common interests of both sides to establish and develop good neighborly relations and friendship. Looking at the issue from this high plane, it is important for China and Vietnam to share common ground. Differences [fen qi 0433 2978] may be solved gradually, beginning from easy to difficult ones. Problems that cannot be solved momentarily can be shelved at first. The crucial thing is to seek common ground while reserving differences and solve problems through consultation.

Qian Qichen said: China and Vietnam share the unanimous viewpoint that time and long-term efforts are needed for solving a complex problem through peaceful

negotiations. Currently, some people in the international community are very concerned about problems between China and Vietnam, and there are people who make daily forecasts on when conflicts between the two countries are going to break out. President Jiang Zemin's visit and the Sino-Vietnamese Joint Communiqué strongly show that there is no such possibility in relations between the two countries.

As regards the Spratlys issue, Qian Qichen reiterated: China's stand is persistent and clear. China has sovereignty over those islands, but advocates solving differences on this issue through peaceful talks. If disputes cannot be solved now, they can be first put aside while we seek ways for a joint development. In short, China adopts the stand and attitude of solving the problem in a peaceful manner.

He said: The Sino-Vietnamese Joint Communiqué also mentions that the two sides will refrain from using force or threaten to use force on each other. The two sides will abide by this principle.

On Sino-Vietnamese economic and trade relations, Qian Qichen said: Sino-Vietnamese economic and trade relations have developed tremendously in recent years. Border trade has begun to develop normally, and some large companies and enterprises from the two countries have started to participate in bilateral economic and trade cooperation. Some Vietnamese enterprises, established with China's aid in the past, have initiated technological remodeling in cooperation with China. Trade between the two countries is increasing and has good prospect, although the volume is far below development potential.

#### Discusses Solving Spratly Dispute

OW2211200494 Beijing XINHUA Domestic Service in Chinese 1618 GMT 22 Nov 94

[FBIS Translated Excerpt] Hanoi, 22 Nov (XINHUA) [Passage omitted] Qian Qichen, State Council vice premier and concurrently foreign minister, who accompanied Jiang Zemin today, also held a news conference in Hanoi today. He said: President Jiang's current visit to Southeast Asia has achieved the goals of strengthening good neighborly relations and friendship with those countries and of promoting regional economic cooperation.

In answering what measures will be taken by the Chinese and Vietnamese sides to develop good neighborly relations and friendship between the two countries, Qian Qichen said: Measures to be taken include three aspects. First, leaders of the two countries plan to maintain constant contacts; second, the two countries have signed agreements on establishing an economic and trade cooperation committee to further promote the development of economic relations and trade between the two countries; and third, the two sides agreed to enhance trust and establish a necessary mechanism to peacefully solve

some problems that still exist between the two countries through talks, dialogue, and consultations.

When he was asked how to solve the territorial and border issues between China and Vietnam, Qian Qichen said: There are disputes between China and Vietnam on land borders, Beibuwan [Gulf of Tonkin], and offshore islands. However, leaders of the two sides have agreed in principle to gradually solve those problems through friendly negotiations and talks, taking the interests of both sides into consideration.

On the Nansha [Spratly] issue, Qian Qichen reiterated China's clear and persistent stand. He said: China has sovereignty over those islands, but advocates solving differences over this issue through peaceful talks. If they cannot be solved now, disputes can be put aside while we seek a joint development. In short, China takes the stand and attitude of solving the problem in a peaceful manner. [passage omitted]

#### Views Measures To Foster Friendship

OW2211231594 Beijing XINHUA in English 1839 GMT 22 Nov 94

[FBIS Transcribed Text] Hanoi, November 22 (XINHUA)—China and Vietnam will keep high-level contacts and create a confidence-building mechanism as the agreed measures to foster their good-neighborly and friendly relations, Chinese Foreign Minister Qian Qichen said here today.

Qian, who has been accompanying Chinese President Jiang Zemin on an official goodwill visit to Vietnam, outlined the results of the visit at a news conference at the end of the four-day tour.

Qian said that the leaders of the two countries have reached agreement that as China and Vietnam are faced with the common task of economic development in their countries to raise the people's standards of living, the development of good-neighborly and friendly relations between China and Vietnam is in keeping with the interests of both countries.

One of the steps they have agreed to take to develop the existing bilateral relations, he said, is to maintain frequent contacts.

The two sides also signed agreements under which a joint economic and trade committee will be set up to foster economic and trade relations, and agreed to establish a mechanism to increase mutual trust and seek peaceful solutions to their existing problems through negotiations, dialogue and consultations.

He said both sides agreed that their existing differences can be eliminated gradually through consultations, starting with some easy issues and leaving the more difficult ones shelved for the moment.

What is most important for them is to find solutions through consultations and seek common ground while reserving differences, he stressed.



On the border and territorial disputes between China and Vietnam, Qian said that the leaders agreed that the two countries' overall interests should be placed above everything else and these problems be solved step by step through negotiations and friendly consultations.

Guided by such a principle, Qian said, he and his Vietnamese counterpart Nguyen Manh Cam agreed on Monday to set up a working group on the issue of the Nansha [Spratly] islands, in addition to the two existing ones respectively on the land border and Beibu Gulf issues.

The establishment of the three groups provides conditions for the gradual settlement of the issues, Qian added.

He noted that the two sides are also unanimous that a peaceful settlement of a complicated problem needs time and sustained efforts.

The results of Jiang's visit show that China and Vietnam have the full ability to solve the problems, he said.

On the issue of the Nansha islands, Qian said, China's position has always been clear: China maintains sovereignty over these islands, but at the same time it believes that the disputes over this issue can be solved peacefully through negotiations; if some of the disputes can not be solved soon, they should be shelved for the time being so that joint development of these islands could proceed.

Qian also told the press conference that despite the rapid expansion of trade and economic relations in recent years, there are still greater potentials for further development.

#### **Jiang Zemin Calls On Embassy, Other Personnel in SRV**

OW2311050394 Beijing XINHUA Domestic Service in Chinese 1352 GMT 21 Nov 94

[By reporters Wei Guoqiang (7614 0948 1730) and Hu Suojin (5170 6956 6930)]

[FBIS Translated Text] Hanoi, 21 Nov (XINHUA)—Visiting Chinese President Jiang Zemin called on Chinese Embassy and other Chinese organizations' personnel in Vietnam at the Chinese embassy here this afternoon. He also had a photo session with them.

Jiang Zemin briefed them on the excellent domestic situation of reform and opening up. He thanked them for their diligent work in connection with his visit and urged them to continue to successfully carry out diplomatic work.

Those accompanying Jiang Zemin on his foreign visit were also present. They included Qian Qichen, vice premier and foreign minister; and Wen Jiabao, alternate member of the CPC Central Committee Political Bureau and member of the Secretariat.

Jiang Zemin also visited a Confucian temple in Hanoi city this afternoon.

#### **Spratlys Issue Still Seen As Problem With SRV**

HK2311060294 Hong Kong SOUTH CHINA MORNING POST in English 23 Nov 94 p 1

[By Greg Torode in Hanoi]

[FBIS Transcribed Text] Entrenched rival claims over the disputed Spratly Islands quickly tempered an historic pledge of friendship and peace between Hanoi and Beijing yesterday. Chinese Foreign Minister Qian Qichen left Vietnam yesterday reaffirming China's rule over the disputed Spratly Islands and warning any settlement could be a long way off.

Hours after his departure Vietnamese Foreign Minister Nguyen Manh Cam echoed a similar line, raising doubts about the full impact of a new Sino-Vietnamese joint communique pledging peace and an eventual solution to the island dispute.

Both sides said, however, there was now agreement on "the principles for the way forward" and a new relationship at the highest levels was under way.

Mr Cam said he was "no fortune teller" and a solution could be far off. However, the desire to reach agreement while expanding trade and economic links was the most significant aspect, meaning settlements could be achieved earlier than expected, he added. "We now have a much better mutual understanding at the highest level... there is great significance in the agreement for the settlement of problems," Mr Cam said. He revealed, however, that neither side discussed ending conflicting oil exploration or development activities.

Describing Beijing's mission as a success in enhancing "good neighbourliness" between Vietnam and China, Mr Qian said both sides had agreed to solve difficulties through "friendly consultation." "Both the Chinese and the Vietnamese sides hope to see an early settlement of the existing problems," Mr Qian said. "In reality, peaceful negotiation of the complicated questions will take time... it will take a long-term effort and this is a point both sides are in agreement on." Mr Qian added: "China and Vietnam are entirely capable of solving this ourselves." Disputes could simply be shelved by a joint-exploitation agreement, he added.

The Foreign Minister's comments wrapped up a four-day visit to Vietnam by a delegation headed by President Jiang Zemin—the most powerful Chinese state figure ever to visit Hanoi.

The pair held wide-ranging private talks with Vietnam's General Secretary Do Muoi, President Le Duc Anh and Mr Cam. Details of recent flare-ups were put aside in favour of reaching an agreement on the way forward.

Mr Qian said any eventual settlement would be helped by an agreement on the establishment of an expert group



to look at the settlement of the island dispute. Both Vietnam and China are currently exploring the seas around the Spratlys for oil, a race most heated in the Tu Chinh Wanar Bei field, where the Vietnamese are now drilling wells despite China giving rights to a small American oil company. The expert group will be run along similar lines to other committees examining less volatile disputes.

#### **Vietnam Newspaper Editorial Views Jiang Visit**

OW2311101394 Beijing XINHUA in English 0943  
GMT 23 Nov 94

[FBIS Transcribed Text] Hanoi, November 23 (XINHUA)—The successful visit to Vietnam by Jiang Zemin, general secretary of the Central Committee of Chinese Communist Party and Chinese president, ushered in a new milestone in the friendly relationship between the two parties and the two countries, said an editorial in the Vietnamese newspaper NHAN DAN today.

The talks between the leaders of the two countries and other senior officials were held in a friendly and frank atmosphere of mutual respect and mutual understanding. The two sides identified many important measures for upgrading bilateral cooperation to a higher level and wider scope, said the paper.

As to problems between the two countries, the two sides reiterated the need for peaceful solution of their boundary and territorial issues through negotiations.

The two sides also agreed to seek solution to their differences, once taking place, through timely consultations from a calm and constructive attitude and not to allow their differences to hinder the normal development of their relations.

The paper also recalled that the two countries agreed that it is the common desire and in the fundamental interests of all peoples in the Asia-Pacific region to maintain peace and stability, and to enhance state-to-state and regional economic cooperation.

China welcomes the new development in the relations between Vietnam and the Association of Southeast Asian nations, the editorial noted.

Jiang paid a four-day official goodwill visit to Vietnam on November 19-22, the last leg of his 14-day four-nation Asian tour which also include Singapore, Malaysia and Indonesia.

#### **Pro-Beijing Paper Views Improved Sino-SRV Ties**

HK2311023294 Hong Kong TA KUNG PAO in Chinese  
22 Nov 94 p 3

["Political Talk" column by Shih Chun-yu: "China, Vietnam Broaden Common Understanding, Seek Common Ground While Reserving Differences"]

[FBIS Translated Text] Establishing the Principle of Attaching Importance to Good Neighborliness [subhead]

Fine results have been scored on the last leg of Chinese State President Jiang Zemin's trip to four Southeast Asian countries—Vietnam.

Primarily, the Chinese and Vietnamese leaders reached common understanding in principle regarding the existing issues between the two countries—specifically, attaching importance to Sino-Vietnamese friendship and the overall situation of peace and stability in the region, seeking appropriate solutions by adhering to patient negotiations based on the principled accord already reached between the two sides—in order to broaden common understanding and seek common ground while reserving differences to avoid negative effects on the normal development of the good-neighborly and friendly relations.

The aforesaid statement naturally refers to disputes about sovereignty over territory, territorial waters, and the Nansha [Spratly] Islands. At a news conference following the conclusion of the talks, the Chinese Ministry of Foreign Affairs spokesman said that the leaders of the two countries did not touch upon the Nansha issue specifically but stressed that the summit was held in a "cordial [qing qie 6024 0434] and friendly [you hao 0642 1170] atmosphere."

Although the Nansha issue has not been touched upon specifically, in actual fact the principle on handling bilateral issues has been dealt with. Both sides attached importance to Sino-Vietnamese good-neighborly and friendly relations and the overall situation of the region's peace and stability and reiterated the settlement of disputes through peaceful negotiation. Consequently, disputes such as the Nansha Islands will be left to the related officials of both sides to negotiate with patience to seek an appropriate solution, and the issue would not have to be discussed specifically at the summit. China is in favor of shelving the dispute about sovereignty over the Nansha Islands and exploiting their resources through joint efforts. This proposal has won the support of the ASEAN countries.

#### **Signing Three Economic Accords**

Both China and Vietnam are engaged in economic construction, and Jiang Zemin's current visit to Vietnam focused on practical affairs related to economic exchange. The two sides signed an "Agreement on Founding a Committee for Economic and Trade Cooperation," an agreement on land border crossings, and an agreement on ensuring the quality of imports and exports and mutual authentication. These three agreements represent the legal basis for augmenting economic ties.

Since the normalization of Sino-Vietnamese diplomatic relations in November 1991, bilateral trade has grown

rapidly. Based on Chinese statistics, the Sino-Vietnamese trade volume between January and August in 1994 was \$290 million, up by 1.8 times over the same period last year. The volume of Sino-Vietnamese border trade was large, and the figures and value of commodities traded by border people of the two sides on an individual basis were not included but were far greater than the official trade statistics. Vietnam primarily exports farm produce to China, whereas China mainly exports machinery, textile products, light industrial products, and electric home appliances. China Runs Sales Exhibition For the First Time [subhead]

In early November this year, some 50 enterprises under the jurisdiction of the China National Chemicals Import and Export Corporation held trade talks on their products in Ho Chi Minh City in the largest trade fair ever run by China in Vietnam.

Some Chinese entrepreneurs accompanying Jiang Zemin to visit Vietnam are ready to expand investment in Vietnam after their on-site investigation and exchanges in the country. Twenty-two projects of investment in Vietnam involving a total of \$24 million are currently in the preparatory stages.

Nevertheless, Taiwan and Hong Kong enterprises are the largest investors in Vietnam today, especially in Ho Chi Minh City. In the export processing zone covering 180 hectares along the banks of the Saigon River, Taiwanese and Korean factories have begun operating one after another. Ho Chi Minh City, which boasts half a million Chinese, has become a stronghold for Taiwan and Hong Kong investment in Vietnam. With Chinese investment, Yuehua Bank has already made loans to fund the construction of hotels and markets.

This shows that, in addition to the dramatic expansion of Sino-Vietnamese boarder trade, Taiwan, Hong Kong and Korea are entering Vietnam with the Ho Chi Minh City industrial development zone as the center. Mainland China Taiwan, Hong Kong, and Korea will continue to expand their economic ties with Vietnam and this will become an external support for Vietnam's economic development.

Without a doubt, Sino-Vietnamese economic and trade relations will be expanded on an even larger scale in the wake of Jiang Zemin's visit.

### Near East & South Asia

#### 'Initial Analysis' of Situation in Gaza

HK2111151794 Beijing RENMIN RIBAO in Chinese  
20 Nov 94 p 7

["News Analysis" column by Liu Shuiming (0491 3055 2494): "An Initial Analysis of the Gaza Conflict"]

[FBIS Translated Text] Cairo, 19 Nov (RENMIN RIBAO)—A serious clash took place in Gaza yesterday. As both conflicting parties involved are Palestinian

brothers and this clash was the first of its kind since autonomy was introduced into Gaza, the incident has had great repercussions, and people are deeply concerned about it.

The clash burst out near the Palestinian mosque at the center of Gaza city. The mosque was under the control of Hamas, a radical organization which is opposed to the Palestinian-Israeli peace agreement. Friday is the Jumah day of the Islam, on which day all Moslems go to the Mosque for a collective prayer. Nearly 5,000 Hamas and Islamic Jihad members gathered at that Palestinian mosque yesterday. They planned to hold a rally and took to the street to demonstrate after the prayer, demanding that the autonomous government release 200 imprisoned Islamic Jihad members. Since President Arafat earlier had banned political activities in mosques and schools, the Palestinian police went to the mosque to urge the masses gathering there to leave and confiscated the loudspeakers they were using. This led to a clash, which ended with 13 deaths and more than 100 injured. The Palestinian police on one side and Hamas and Islamic Jihad on the other have issued statements blaming one another for firing and using force first, thus causing the bloodshed. Some other Palestinians have maintained that the Israeli authorities should take the principal responsibility for the present unfortunate outcome of the events in Gaza.

Over the past two months Hamas and the Islamic Jihad organization have been quite active, and violent assaults against Israel have taken place one after another. In response to this, the Israeli authorities have tightened control over the occupied territory. Apart from blocking access to Gaza and the West Bank of the Jordan River, restraining Palestinians from entering these areas, and taking some "measures that had better not be revealed" to fight terrorist activities, the Israeli authorities have been continuously exerting pressure on the Palestinian autonomous government, urging it to ban violent activities staged by Hamas and other organizations and to provide assistance in rounding up those who had stirred up riots. President Arafat has condemned the above-mentioned violence, and the Palestinian police have arrested and interrogated some Hamas and Islamic Jihad members in Gaza and other areas, which has led to growing tension between the Palestinian police and the two organizations.

There have been some changes since the introduction of autonomy in Gaza; however, after 27 years of occupation and destruction, the area has hardly any economic facilities. What is more, as the injection of financial aid promised by the international community has fallen very much behind schedule, many planned construction projects cannot be launched, and the public can expect no substantial improvement in their living standards in the near future. In particular, because Israel blocks access to Gaza so frequently that it further aggravates Gaza's economy—which is already on the verge of paralysis—people are not assured of their subsistence.

The Gaza people originally placed high hopes on autonomy, but the reality before them is much grimmer than what they have been expecting. Many of them are becoming more and more pessimistic about the future of peace. Meanwhile, the influence of Hamas and the Islamic Jihad organization is gaining ground.

In the Gaza Strip, there are many Palestinian factions which have divergent political views. Jewish settlements around the area have not been removed, and the Israeli troops and police are stationed nearby. Tens of thousands of Palestinians there were kept in Israeli prisons in the past, and many of them have been nursing very strong anti-Israeli feelings. Furthermore, many weapons—estimated at 20,000—are being kept by the civilians in Gaza. The Palestinian police did attempt to tighten control over weapons, urging people to have their weapons registered with the government, for example. Nevertheless, many measures in this respect can hardly be enforced because there are too many impediments. These are the other factors that may trigger off unpredictable eventualities in Gaza in any time.

At the moment, Palestinian-Israeli peace has arrived at a crucial and subtle stage. So it is essential to strengthen unity within Palestine and to safeguard its hard-earned peace and autonomy.

#### Leaders Meet Israeli Visiting Delegation

##### Chen Muhua Meets Israeli Visitors

OW2211094994 Beijing XINHUA in English 0918  
GMT 22 Nov 94

[FBIS Transcribed Text] Beijing, November 22 (XINHUA)—Chen Muhua, vice-chairman of China's National People's Congress (NPC) Standing Committee, met with Shulamit Aloni, minister of communication, science and arts of Israel, and her party here today.

Chen, also president of the All-China Women's Federation, briefed the visitors on China's preparations for the fourth world conference on women to be held in Beijing next year, and the features and achievements of women's work in China.

This afternoon, Song Jian, Chinese State Councillor and minister in charge of the State Science and Technology Commission, also met with Aloni and her party.

Aloni and her party are here as guests of the Chinese Ministry of Posts and Telecommunications. This morning, Wu Jichuan, minister of posts and telecommunications, signed with Aloni a cooperative agreement on telecommunications between the two countries on behalf of their respective governments.

##### Zou Jiahua Meets Israeli Group

OW2311100694 Beijing XINHUA in English 0937  
GMT 23 Nov 94

[FBIS Transcribed Text] Beijing, November 23 (XINHUA)—Chinese Vice-Premier Zou Jiahua met with

Shulamit Aloni, minister of communication, science and arts of Israel, and her party here today.

Extending his warm welcome to the Israeli visitors, Zou said that Sino-Israeli cooperation and exchanges have been developing fast although the two countries set up diplomatic relations just two years ago.

Zou noted that during the visit of Aloni, the cooperative agreement on telecommunications had been signed between the two sides, and discussions on future cooperation had also been held between relevant departments.

These have been a good starting point for further enhancing bilateral cooperation, Zou said, adding that the two sides should make concerted efforts to promote this kind of cooperation.

Aloni described her visit to China as fruitful, saying that cooperation between Israel and China enjoys broad prospects, and that the two sides may carry out further cooperation in various fields.

Wu Jichuan, Chinese minister of posts and telecommunications, took part in the meeting.

Aloni and her party are here as guests of the Chinese Ministry of Posts and Telecommunications.

#### First Joint Venture With Libya Set Up in Zhejiang

OW1911134694 Beijing XINHUA in English 1318  
GMT 19 Nov 94

[FBIS Transcribed Text] Ningbo, November 19 (XINHUA)—The Sino-Libyan Textile Co. Ltd, the first joint venture between Libya and China, has been set up in this city in east China's Zhejiang Province.

The joint venture, in which 26 million U.S. dollars were invested by the Libya State Overseas Investment Company, the Zhejiang International Trust and Investment Company, the Ningbo Development Zone Joint Developing Company and the Ningbo Textile Industry Company, is located in the economic and development zone of the city.

The joint venture will be jointly run for 30 years and will have an annual capacity of 3,000 tons of cotton yarn and yarn blends, and 17 million meters of cotton cloth and blended fabric. All the products will be exported.

The first stage of the investment of 4 million U.S. dollars has been spent on a weaving factory, which will produce 6 million meters of cotton cloth a year, all of it to Libya, has been finished.

#### Minister Marks National Day of Oman

OW1811132194 Beijing XINHUA in English 1254  
GMT 18 Nov 94

[FBIS Transcribed Text] Beijing, November 18 (XINHUA)—A reception was held here this evening by Omani Ambassador to China Abdalla Muhammad al-Faisi to mark the 24th anniversary of the National Day of Oman.



Chinese Minister of Culture Liu Zhongde, Vice-Foreign Minister Tian Zengpei, and diplomatic envoys of various countries to China were among those present at the reception.

#### **CPPCC Chairman Meets Syrian Guests in Beijing 21 Nov**

*OW2111124494 Beijing XINHUA in English 1229 GMT 21 Nov 94*

[FBIS Transcribed Text] Beijing, November 21 (XINHUA)—A top Chinese leader said here today that the Chinese Government understands and supports the stand of the Syrian Government on the issue of the Golan Heights.

Li Ruihuan, chairman of the Chinese People's Political Consultative Conference (CPPCC) National Committee, made the remark while meeting with Muharram Tayyarah, a member of the Syrian Central Leadership of the National Progressive Front, and his party.

Li said that the Chinese Government, holding that solution to conflicts lies in peaceful dialogues, always pays great attention to peace and stability in the Middle East region.

Tayyarah said that his government hopes that the Middle East issue can be solved peacefully, and an overall and just peace realized at last.

He expressed his appreciation for the Chinese people's support for the Arab people's just cause.

On bilateral ties, Li said that Syria, which was one of the first Arab countries to establish diplomatic relations with China, has enjoyed good relations with China ever since.

Since the two countries are developing ones and both need to develop their domestic economies and improve their peoples' living standards, they can learn from each other's experiences, Li said.

He also spoke highly of Syria's stand of sticking to the one China policy, and not dealing with Taiwan officially.

Tayyarah said that Syria attaches great importance to furthering bilateral ties with China.

The Syrian guests arrived here Saturday [19 November] evening at the invitation of the CPPCC National Committee.

#### **Contract Signed on Road Project With Bangladesh**

*OW2311132194 Beijing XINHUA in English 1237 GMT 23 Nov 94*

[FBIS Transcribed Text] Dhaka, November 23 (XINHUA)—China and Bangladesh signed a contract here

this afternoon on a road overlay project with a cost of 28 million U.S. dollars which is financed by the Asian Development Bank.

The contract was signed between the China National Overseas Engineering Corporation and the Bangladesh Road Authority.

The road overlay project covers four sections of road. Two of the sections are located in the suburban area of the capital city while the other two are situated in the southeastern city of Chittagong.

The Chinese contractor has successfully completed a 40 million U.S. dollars worth road construction project in this south Asian country during the last four years, according to Kong Fanqi, chairman of the board of the corporation.

Kong, who made speech after signing the contract, said that his company will do an even better job this time, since they have gained a lot of experience from the previous project.

Officials from the road authority said more road projects in the Bangladesh are expected to be contracted by Chinese companies due to their successful work.

Bangladesh has attached great significance to infrastructural construction which is an importation part of the government's efforts to improve the investment environment in the country.

In the past few years, Chinese companies have participated in a number of road and bridge projects in Bangladesh and their achievements here have won high appreciation from the authorities concerned.

#### **Defense Team Calls on Pakistan Military Leaders**

*OW1911132594 Beijing XINHUA in English 1252 GMT 19 Nov 94*

[FBIS Transcribed Text] Islamabad, November 19 (XINHUA)—A visiting delegation of China's National Defense University called on the chairman of Joint Chiefs of Staff Committee of Pakistan and the three services chiefs at their respective headquarters here today.

The delegation led by Lieutenant General Hu Changfa, first visited the Joint Staff Headquarters and met with chairman of the Joint Chiefs of Staff Committee Farooq Feroze Khan. The two sides discussed matters of professional interests.

The delegation was then conducted to a detailed briefing on the prevailing security environment.

During their visit to the general headquarters, the Chinese were received by Chief of the Army Staff General Abdul Waheed.

The Chinese defense college team also went to the naval and air headquarters and had separate meetings with

Chief of Naval Staff Admiral Mansurul Haque and Chief of Air Staff Air Chief Marshal Mohammad Abbas Khat-tak.

Later on, the Chinese visited Pakistani National Defense College and were briefed on its academic activities.

The high-powered Chinese defense team arrived here Thursday [17 November] on a week-long official visit to Pakistan.

### **Military Leaders Meet Pakistan Delegation**

#### **Xu Huizi Meets Group**

OW2111121594 Beijing XINHUA in English 1138  
GMT 21 Nov 94

[FBIS Transcribed Text] Beijing, November 21 (XINHUA)—General Xu Huizi, deputy chief of the General Staff of the Chinese People's Liberation Army (PLA), met with and hosted a dinner here this evening in honor of Lieutenant General Jehangir Karamat, chief of General Staff of the Pakistan Army, and his party.

They exchanged opinions on issues of common concern.

The Pakistan visitors arrived here yesterday.

#### **Chi Haotian Meets Group**

OW2211173994 Beijing XINHUA in English 1319  
GMT 22 Nov 94

[FBIS Transcribed Text] Beijing, November 22 (XINHUA)—General Chi Haotian, state councillor and minister of national defense, met with and hosted a dinner here this evening in honor of Lieut. Gen. Jehangir Karamat, chief of the General Staff of the Pakistan Army, and his party.

Chi said that since China and Pakistan established diplomatic relations over 40 years ago, the two countries have enjoyed continuous development of bilateral friendly relations and co-operation.

Chi continued that no matter what changes take place in the world situation, such relations between the two countries will not change.

He also recalled his visit to Pakistan four months ago, and expressed his thanks for the warm reception he received at that time.

Karamat said that there is a long history of friendship between Pakistan and China, and the two countries are concentrating on promoting peace, development, progress and equality in the region, although they have different social systems.

This morning Gen. Zhang Wannian, chief of the General Staff of the Chinese People's Liberation Army (PLA), also met with the Pakistani delegation.

The Pakistan visitors arrived here November 20 at the invitation of the Headquarters of the General Staff of the PLA.

### **Pakistan Preparing for Beijing Womens Conference**

OW2111135394 Beijing XINHUA in English 1321  
GMT 21 Nov 94

[FBIS Transcribed Text] Islamabad, November 21 (XINHUA)—The non-government organizations (NGOs) in Pakistan have started making preparations for the UN sponsored Fourth International Conference on Women to be held in Beijing of China next year.

According to sources from NGOs, the task has been mainly taken up by ASR, an NGO which is doing the coordination work between the NGOs working for women in Pakistan.

A series of seminars and workshops will be arranged at national and provincial levels in this connection and the recommendations will be consolidated into a single document for the convenience of the Pakistani participants in the Beijing conference, said the sources.

So far, ASR has successfully arranged workshops with women writers and journalists in Hyderabad and Karachi in Sindh Province.

A high level conference named "mini-Beijing" will be held at Lahore, capital of Punjab Province, next April to finalize the preparations for the Beijing conference, said the sources.

### **West Europe**

#### **Li Lanqing Meets EU Commissioner 21 Nov**

OW2111135094 Beijing XINHUA in English 1322  
GMT 21 Nov 94

[FBIS Transcribed Text] Beijing, November 21 (XINHUA)—Chinese Vice-Premier Li Lanqing, meeting with Christiane Scrivener, Commissioner of the European Union (EU) here today, said that it was not reasonable to demand too much from China concerning the balance of rights and obligations, since it is a developing country.

Li told Scrivener that the resumption of China's signatory state status in the General Agreement on Tariffs and Trade (GATT) was one of the major topics during his recent visit to the United States.

Touching on enhancing China's co-operation with France and other EU countries on economy and trade, Li noted that China is improving its legislation on foreign trade so as to promote and guarantee the healthy development of its economic and trade relations with other countries.

Scrivener said that the EU has all along maintained a positive attitude toward China's re-entry to GATT.

She added that she believed the resumption of China's signatory state status in GATT and its participation in the World Trade Organization will serve the development of world trade.

Qian Guanlin, director of China's General Administration of Customs, was present at the meeting.

Scrivener and her party are here as guests of the Customs Administration.

#### **Judicial Delegation Ends Visit to Austria**

*OW1811044494 Beijing XINHUA in English 0421  
GMT 18 Nov 94*

[FBIS Transcribed Text] Vienna, November 17 (XINHUA)—A Chinese judicial delegation from the Supreme People's Court headed by the president of the court, Ren Jianxin, this afternoon concluded its visit to Austria and left for Switzerland.

During the visit, Austrian Federal Chancellor Franz Vranitzky and Heinz Fischer, president of the Federal Council, met the delegation.

Ren, who is also a member of the Secretariat of the Central Committee of the Chinese Communist Party, held talks with Ludwig Adamovich, president of Austria's Supreme Constitutional Court, and Herbert Steininger, president of the Supreme High Court.

He also met Austrian Justice Minister Nikolaus Michalek and Procurator-General Otto F. Muller, and held talks with representatives of the governments, parliaments and judiciaries of Vienna, Upper Austria and Salzburg.

The two sides expressed their desire to strengthen the exchange and cooperation between the two judiciaries.

The delegation, the first from the Supreme People's Court of China to visit Austria, arrived in Vienna on November 11, at the invitation of Adamovich.

#### **Cyprus, China Sign Radio, TV Agreement**

*OW1611010694 Beijing XINHUA in English 1339  
GMT 15 Nov 94*

[FBIS Transcribed Text] Nicosia, November 15 (XINHUA)—Cyprus and China signed here today a cooperation agreement in radio and television fields.

The agreement was signed by visiting Chinese Vice Minister of Radio, Film and Television Tong Xiangrong and Cyprus Interior Minister Dinos Michaelides.

Under the agreement, the two countries are to exchange tapes of the traditional and modern popular music on non-commercial basis.

Both sides will also exchange video tapes each year on the topics of politics, economics, culture, sport, literature, art and children, according to the agreement.

Tong and his five-member delegation arrived here on November 11, and will wind up their visit Thursday.

#### **Vice-Premier Zou Jiahua Hosts Foreign Visitors**

##### **Meets French Businessmen**

*OW1811132594 Beijing XINHUA in English 1231  
GMT 18 Nov 94*

[FBIS Transcribed Text] Beijing, November 18 (XINHUA)—Chinese Vice-Premier Zou Jiahua met with Chairman and President of L'Air Liquide of France E. DeRoyere and his party here today.

They exchanged opinions on issues of common interest.

The six-member French delegation is here at the invitation of the Chinese Ministry of Machine-Building Industry.

##### **Meets French Atomic Agency Group**

*OW2211135694 Beijing XINHUA in English 1229  
GMT 22 Nov 94*

[FBIS Transcribed Text] Beijing, November 22 (XINHUA)—Chinese Vice-Premier Zou Jiahua met with Philippe Rouvillois, general administrator of the French Atomic Energy Commission (FAEC), and his party here today.

Zou said in the meeting that China and the FAEC enjoy good cooperative relations, adding that the Daya Bay nuclear power station in China's Guangdong Province, which was built jointly by China and France, has been operating well.

China's demand for energy is increasing due to its rapid economic development, Zou said, adding that in order to further develop the energy industry, China, besides depending on its own strength, also needs to enhance technological cooperation with foreign countries.

China welcomes foreign countries, including France, to come here to participate in fair competitions in the development of China's energy industry, Zou said.

Rouvillois said that France is willing to maintain and further develop its cooperative relations with China in energy industry, adding that it also wants to cooperate with China in the fields of nuclear wastes treatment, safety management in nuclear power stations and the research in fast neutron reactors.

Jiang Xinxiong, general manager of the China National Nuclear Corporation (CNNC), took part in the meeting.

This afternoon, CNNC and FAEC signed the fifth protocol on using nuclear power for peaceful purpose. According to the protocol, departments concerned of the two sides will conduct technological exchanges and joint research in some specific aspects.

The French visitors are here as guests of CNNC.



### **Meets Italian Businessmen**

OW1811132694 Beijing XINHUA in English 1230  
GMT 18 Nov 94

[FBIS Transcribed Text] Beijing, November 18 (XINHUA)—Chinese Vice-Premier Zou Jiahua met here this afternoon with G. Boschetti, president of the Iveco Company of the Fiat Group from Italy, and his party.

They exchanged opinions on issues of common interest.

The Italian businessmen are here as guests of the China National Automotive Industry Corporation.

### **Meets German Businessmen**

OW1811132394 Beijing XINHUA in English 1229  
GMT 18 Nov 94

[FBIS Transcribed Text] Beijing, November 18 (XINHUA)—Chinese Vice-Premier Zou Jiahua met with Dr. Gerhard Cromme, chairman of the executive board of the Fried Krupp AG Hoesch-Krupp from Germany, and his party here today.

Zou briefed the German visitors on China's economic development and related policies. Both sides exchanged opinions on furthering cooperation and other issues of common concern.

The nine-member delegation is here as guest of the Chinese Ministry of Metallurgical Industry.

### **Sino-German Styrene Project Begins in Nanjing**

OW1911134794 Beijing XINHUA in English 1322  
GMT 19 Nov 94

[FBIS Transcribed Text] Nanjing, November 19 (XINHUA)—Construction of a Sino-German joint-investment styrene project, believed to be the largest in China, began today here in Nanjing, capital of east China's Jiangsu Province.

The project, with an ethylbenzene plant capable of producing 130,000 tons a year, a styrene plant capable of producing 120,000 tons a year, and a polystyrene plant capable of producing 100,000 tons, is expected to go into operation in early 1997.

Equipped with the world's most advanced technology, the project is expected to generate 938 million yuan (about 11 million U.S. dollars) in annual sales after going into production.

It is a joint investment of the Nanjing Chang Jiang Petrochemical Corporation and BASF Aktiengesellschaft of Germany with a total investment of 1.598 billion yuan (185.6 million U.S. dollars), according to sources.

Experts said that the polystyrene products are widely used in the manufacturing of vehicles, household electrical appliances, packaging products and industrial parts and components. The new project is expected to be

able to meet the increasing needs of fast developing Jiangsu Province and the whole Chang Jiang River delta area.

### **Possible Qian Visit to UK Heralds Improved Ties**

HK2011064994 Hong Kong SOUTH CHINA SUNDAY  
MORNING POST in English 20 Nov 94 p 1

[By Political Editor Danny Gittings]

[FBIS Transcribed Text] Chinese Vice-Premier and Foreign Minister Qian Qichen is making tentative plans to visit Britain next year in a move which would be seen as marking the start of a thaw in relations over Hong Kong. Mainland officials have told British Ambassador to Beijing Sir Len Appleyard that Mr Qian is interested in going to London and may be able to do so during the first half of 1995.

The conciliatory message came after Britain made major concessions for the recent signing of an agreed minute on airport financing.

No arrangements have been made or dates discussed and Whitehall officials remain cautious, fearing hardliners in the mainland leadership may block Mr Qian's plans. But in a further sign of a thaw, China has lifted a virtual ban on visits by senior British ministers by indicating that Michael Heseltine, President of the Board of Trade and one of the most important cabinet members, will be welcome in Beijing early next year.

Mr Qian's trip, if confirmed, would be his first to London since March 1992—four months before Chris Patten became Governor. The Chinese leader is expected to have intensive discussions with Foreign Secretary Douglas Hurd on Hong Kong, and may be invited to Downing Street to meet Prime Minister John Major.

Such a visit would also mark the end of China's 2 1/2-year boycott of Britain. A Foreign Office spokesman in London said no senior mainland official has visited Britain since Vice-Premier Zhu Rongji made headlines when he was reported to have cast doubt on the continuing validity of the Joint Declaration during a trip in November 1992. But it will come too late for the two countries to meet this year's obligations under the 1991 Memorandum of Understanding on the new airport, which requires the foreign ministers to meet twice a year.

Despite the new developments there is no sign of a similar rapprochement with Mr Patten's administration. A senior Hong Kong Government official said Chief Secretary Anson Chan Fang On-sang's repeatedly stated wish to visit Beijing was not even discussed during the recent diplomatic contacts—and there was little chance of it going ahead soon. Bill Dickson, the Foreign Office spokesman in Hong Kong, declined to comment, saying diplomatic exchanges between Britain and China were confidential. But he admitted Britain hoped there would

be several ministerial visits between Beijing and London in 1995, although "we are not yet at the stage of discussing specific dates".

A source in London said Mr Qian's interest in a visit came after many months of refusing invitations. Mr Hurd received no positive response when he floated the idea in a message sent with Minister for Hong Kong Alastair Goodlad during his trip to Beijing in July. The invitation was repeated when the foreign ministers met in New York in September and Mr Qian gave the first sign he might consider a visit. But it was only after the agreed minute was signed on November 4 that Beijing intimated it was seriously interested.

Ties have already begun to improve with the relatively low-ranking Vice-Minister of Finance, Zhang Youcai, meeting Mr Hurd and Mr Goodlad in London two weeks ago. Mr Heseltine's tentative invitation to Beijing is seen as another move towards better relations. China had earlier refused to receive him, insisting his plans for a visit this autumn were "not convenient", despite a personal plea from Mr Hurd during the New York meeting. Trade Minister Richard Needham was also snubbed when he tried to visit China last month. But now the ban appears to have been lifted, visits by other British ministers are under discussion, including one by Transport Minister Brian Mawhinney.

#### **BBC Video on Organ Transplants 'Fabricated'**

*OW2311025094 Beijing XINHUA in English 0240  
GMT 23 Nov 94*

[FBIS Transcribed Text] Beijing, November 23 (XINHUA)—A video recording shown by the British Broadcasting Corporation (BBC) October 27, 1994 purporting to show how the organs of executed Chinese criminals are transplanted was entirely fabricated by the producers, Harry Wu and Sue Lloyd Roberts, a leading Chinese Government official said here today.

In an interview, the official said that investigation shows that calling themselves a couple, in mid-April this year Harry Wu and Sue Lloyd Roberts, a British national, came to the urological department of the No. 1 Hospital attached to the Huaxi Medical College in Chengdu, the capital of southwest China's Sichuan Province.

They said that they had come to make arrangements for a kidney transplant operation for an uncle of Roberts. They also produced to the doctors receiving them a case history signed by Michael Armstrong, director of the Nephrological Department of Columbia University in the United States.

Then, using this as an excuse, Wu inquired of Yang Yuru, director of the urological department, and Wu Jingping, director of the foreign affairs section of the hospital, about how kidneys were transplanted in the hospital.

Wu asked the two men receiving him where they got the kidneys for transplants.

The doctor replied that the kidneys were donated by the families of traffic accident victims.

Wu asked whether he could buy a kidney.

Yang replied that Chinese law bans the purchase or sale of human organs.

Wu said that his wife's family was wealthy and would be extremely grateful to the person who would donate his or her kidney to the uncle of his wife.

He asked whether it would be possible for them to meet the donor or the donor's family in order to pay their respects.

Yang said that traffic accidents happened unexpectedly, so it was impossible to meet the victim or the victim's family in advance.

Wu also said that blacks donated their kidneys in prisons in the United States.

Yang said that he had not heard of this.

After that, Wu asked to visit the operating room and convalescent wards in order to find out more about medical conditions in the hospital and tell the uncle of his wife more about the hospital.

Arranged by the hospital's foreign affairs section, Wu and Roberts came on the morning of the next day to the hospital's No. 15 operating room designed for visits by students.

An operation was being performed to replace a mitral mechanical valve for Chen Zuchuan, a patient on the No. 29 bed in the No. 6 ward of the surgery department who suffered from rheumatic valvular heart disease and mitral insufficiency.

While Wu was talking with the doctor performing the operation, Roberts used a camcorder to record the operation. These were the shots patched up in a BBC documentary video which, it was claimed, showed a kidney from an executed criminal being transplanted.

Later, Wu and Roberts visited a health ward and a convalescent ward. In the convalescent ward Wu asked a patient about the source of kidneys for transplants. The patient said the kidneys were donated by donors and their families to the hospital.

Facts have shown that the video purporting to show that organs of executed Chinese criminals were transplanted was entirely fabricated by Wu and Roberts by using the warm and well-meaning reception of Chinese doctors to achieve their ulterior motives.

The leading official noted that the operation scene as shown in the BBC documentary video did not show a kidney transplant operation at all.

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He said that many shots in the video, including scenes of an interview with two male patients, a lawn on which Roberts stood and some buildings, were not taken in the hospital. Also, a restaurant shown in the video was not one in or near the hospital, with none of the people in the restaurant being workers of the hospital.

The statement that "the hospital is crowded with patients from Hong Kong, Taiwan, Europe and the United States seeking organs" was wantonly fabricated by Roberts, as well, the official added.

The official said that an investigation shows that for one or two months before and after Wu and Roberts visited the hospital, no patients from Hong Kong, Taiwan or overseas were hospitalized in the hospital's urological department, and the department did not perform any organ transplant operation either.

During that period, three patients from overseas were hospitalized in the hospital's department of internal medicine, but they had nothing to do with organ transplants, he said.

He added that the alleged statement by Roberts that she "came to a Chengdu hospital in the morning with a counterfeit case history of an American relative suffering from a serious illness, and completed arrangements at a cost of 30,000 U.S. dollars for a kidney transplant operation" was a sheer lie.

The hospital did not reach any agreement on a kidney transplant kidney with them, let alone complete arrangements for such an operation, he noted.

He said that this was not the first time that Wu and Roberts had resorted to spreading rumors, and the BBC showed the so-called "documentary video" to deceive the world and provoke a hostile attitude toward China.

A video shown by the BBC on May 17 this year, also made by Wu and Roberts, showing the No. 2 prison in the Xinjiang Uygur Autonomous Region used the same method to montage the prison's pictures with those of stores and peddlers' booths outside the prison, he said.

That video claimed that leather jackets and children's clothing available in the stores and booths were prison labor products for export, and called a graveyard of local residents the graveyard of prisoners, he added.

The whole of Xinjiang has a population of just 15 million, but they claimed that over 10 million prisoners were serving their terms in Xinjiang, the official noted.

"It is detestable and lamentable that they resorted to base means to deceive the world," he said.

He emphasized that in China the utilization of criminals' bodies or organs only occurs in extremely rare cases. For the purpose of rescuing the dying and treating the injured, public health departments and research institutes may use such bodies and organs—only on condition that they obtain voluntary signatures from the

condemned criminals or the approval of their families, as well as strict examination and authorization by public health administrations and judicial departments.

This also applies in the case of other citizens who voluntarily donate their bodies or organs to public health departments and research institutes upon death, he added.

The statement made in the BBC documentary video that organs of 90 percent of executed Chinese criminals are picked up by hospitals is a deliberate fabrication, the official said.

Also, he said that a report carried in THE LONDON TIMES October 26 this year that criminals on the Chinese Mainland were shot for the purpose of obtaining organs for transplant operations was a vicious slander against China's judicial system.

The resort by Harry Wu and Sue Lloyd Roberts to lies to make such fake videos "only serves to expose their dirty ulterior political motives," he said.

They are held in contempt by all honest people for attempting to deceive international public opinion, he said.

## East Europe

### Anniversary of Sino-Albanian Diplomatic Ties Marked

OW2211150394 Beijing XINHUA in English 1218  
GMT 22 Nov 94

[FBIS Transcribed Text] Beijing, November 22 (XINHUA)—A banquet was held here this evening by the Chinese People's Association for Friendship with Foreign Countries (CPAFF) to mark the 45th anniversary of the establishment of Sino-Albanian diplomatic ties.

CPAFF President Qi Huaiyuan and Albanian Ambassador to China Tahir Elezi were among those attending the banquet.

### Serbian Ruling Party Visits PRC Officials

LD2211230794 Belgrade TANJUG Domestic Service in Serbo-Croatian 1704 GMT 22 Nov 94

[FBIS Translated Text] Beijing, 22 Nov (TANJUG)—A delegation of the Socialist Party of Serbia (SPS), headed by Borisav Jovic, its vice president and chairman of the federal parliament foreign affairs committee, is visiting China. Today, in Beijing he met member of the Politburo of the Communist Party of China (CPC) and Secretary of the Secretariat of the Central Committee, Wei Jianxing. The SPS delegation today had talks at the CPC Department for International Cooperation with member of the Central Committee and Head of the International Department, Li Shuzheng.



Member of the CPC Politburo, Wei Jianxing, TANJUG has been told, paid tribute to Yugoslavia, the Serbian people and the SPS for the successful implementation of their peace policy and the country's internal development, something that is being achieved in unfavorable international circumstances. He expressed particular satisfaction with the SPS delegation's visit, headed by its vice president Borisav Jovic, stressing the desire for establishing relations of systematic cooperation between the two countries.

In the talks, the Chinese side stressed four basic principles guiding the CPC in its cooperation with parties from other countries—*independence of parties, equality in their relations, mutual respect and non-interference in the policy of others.* The CPC cooperates with about 300 parties from 150 countries along these lines regardless of whether they are in power or opposition and regardless of their ideological affiliations.

Wei Jianxing acquainted the SPD delegation in detail with the current program of the CPC's activities in the international, the economic and the political sphere. By opening up to the world and regulating the market, China has resolutely set out to preserve the socialist essence of society and double its 1990 national product by 2000. The Chinese partners maintain that this program is being carried out well. China maintains that its reform geared to a regulated market economy is a grand-scale project on a time-scale of years or even decades which will be gradually and determinedly developed and expanded.

SPS vice-chairman Borisav Jovic informed Wei Jianxing, a member of the Chinese Communist Party Political Bureau, about the SPS policy and the circumstances on the international and internal scene in which it is being implemented.

Both sides expressed the fear that certain important international players were not oriented toward ending the civil war in the former Bosnia-Herzegovina and that, through their concrete actions, they encouraged the aggressive and war-mongering orientation of some sides in the conflict. They also expressed the hope that the growing forces of peace in Europe and the international community would prevail and that the clashes would not escalate in the territory of the former Yugoslavia, or rather, that peace and reason would win.

It was concluded that the sanctions against Yugoslavia had no justification, and that now it was high time to lift them. Yugoslavia's actions in the search for a solution to the Bosnia-Herzegovina crisis demand that this should happen immediately. Yugoslavia is a factor of stability and the sanctions only contribute to the instability and threaten the economic development of the whole region; in addition, they encourage the aggressive forces to continue the war.

Representatives of the Chinese Communist Party sent greetings to the highest-ranking SPS leaders and personally to the SPS chairman on behalf of the Chinese

Communist Party's Central Committee and the Political Bureau. Borisav Jovic invited a delegation of the Chinese Communist Party—at the highest level, or the level currently possible—to visit Yugoslavia and Serbia soon as a guest of the SPS. His invitation was accepted with satisfaction.

### Wei Jianxing Meets Delegation

OW2211152094 Beijing XINHUA in English 1132  
GMT 22 Nov 94

[FBIS Transcribed Text] Beijing, November 22 (XINHUA)—Wei Jianxing, a member of the Political Bureau of the Central Committee of the Communist Party of China (CPC), met with a delegation from the Socialist Party of Serbia (SPS) headed by its vice-chairman Borisav Jovic here this afternoon.

Wei Jianxing, also a member of the secretariat of the CPC Central Committee, and Borisav Jovic briefed each other on the situations of their respective countries and exchanged views on issues of mutual concern.

This morning, Li Shuzheng, head of the International Liaison Department of the CPC Central Committee, held talks with the SPS delegation.

### Serbs Told of Efforts To Lift Sanctions

LD2211112194 Belgrade TANJUG in English 1012  
GMT 22 Nov 94

[FBIS Transcribed Text] Beijing, Nov. 22 (TANJUG)—Peace in former Bosnia and the general settling of the Balkan crisis is the vital interest of all peoples of the region, Deputy Chinese Foreign Minister Vang Yingfan said Monday.

A statement given to Tanjug said Yingfan received a delegation of the Socialist Party of Serbia. The delegation, headed by party Vice President Borisav Jovic, is on a several days' long visit to China.

During the talks, the Chinese officials assessed that Yugoslavia's policy was giving concrete positive results, the statement said. This makes it easier for China to continue its intense efforts for the international sanctions against Yugoslavia to be lifted in full and for Yugoslavia to become reintegrated in the various bodies of the international community, they said.

The Chinese officials said China would do its utmost to contribute to the better knowledge of some non-aligned countries, primarily the Arab and Islamic ones which have a false picture of Yugoslavia's policy, about the actual state of affairs.

Jovic, who heads the foreign policy committee of the Yugoslav parliament, said the United States decision to stop enforcing the arms ban on former Yugoslavia where Bosnian Muslims are concerned was direct support to the Muslim leadership's option to continue the war.

## Political & Social

### XINHUA Replaces Item on Jiang, Li Inscriptions

#### Original Item

OW2211144994 Beijing XINHUA Domestic Service in Chinese 0832 GMT 21 Nov 94

[By reporter Zhang Jimin (1728 4949 3046); Beijing XINHUA Domestic Service in Chinese at 1220 GMT on 21 November transmits a service message replacing the following item]

[FBIS Translated Text] Beijing, 21 Nov (XINHUA)—A meeting to mark the 15th founding anniversary of the Central Radio and TV University and concurrently to commend radio and TV universities nationwide was held here today. Jiang Zemin, Li Peng, and Li Lanqing wrote inscriptions on radio and TV education.

Jiang Zemin's inscription reads: Manage radio and TV education well to raise the quality of the entire nation.

Li Peng's inscription reads: Manage radio and TV education well to train talented people for the modernization drive.

Li Lanqing's inscription reads: It is hoped that radio and TV universities in China will train more outstanding talented people and make greater contributions to the motherland's modernization drive.

Wei Yu, vice minister in charge of the State Education Commission and Central Radio and TV University president, spoke at the meeting. She said: On 6 February 1979, the central and 28 provincial, municipal, and autonomous regional radio and TV universities were inaugurated all at once, opening up a new page in the history of China's radio and TV education. Over the years, under the kind attention of the party Central Committee and the State Council, a long-distance educational system with Chinese characteristics, as well as a national radio and TV educational network—embracing both urban and rural areas from the Central Radio and TV University to 44 such universities run by provinces, municipalities, autonomous regions, and cities with economic autonomy; 690 prefectural and city radio and TV universities; and some 1,600 county-level radio and TV universities—have taken shape in China. Currently more than 40,000 teaching and administrative staff and workers, including 18,000 full-time teachers, are employed under the network and system.

Reviewing the fruitful results in teaching, Wei Yu pointed: Over the past 15 years, radio and TV universities enrolled a total of 2.32 million students in 359 specialized fields—in the categories of literature, economics, political sciences, law, natural sciences, engineering, agriculture, medicine, art, physical education, and teachers' training—of regular or adult higher education. So far, some 1.678 million have graduated and 440,000 are still enrolled at the universities; while radio

and TV secondary specialized schools have graduated some 300,000 students over the past eight years, and satellite TV normal colleges have also graduated nearly 300,000 students of higher or intermediate normal education over the past eight years. A follow-up survey by the State Education Commission on radio and TV university graduates nationwide and an assessment of radio and TV universities' educational quality and investment returns show that the universities' educational quality and investment returns are comparatively good.

Wei Yu set radio and TV universities' overall development goal in the future as follows: Proceeding from China's national condition and in keeping with the needs of social and economic development, we should bring into play the features and merits of radio and TV education by opening up wider and adopting modern educational technology to set up schools at various levels, with different specifications and functions, and in diverse forms nationwide, which are geared to the needs of the grass roots, so as to give more people the opportunities and conditions for receiving higher, secondary, and vocational education, or on-the-job training, or for furthering education, thereby contributing positively to raising the quality of working people at large and to building China's radio and TV universities into open universities of the world's advanced, modernized long-distance education. In delight, she told those in attendance that today the Central Radio and TV University has its own administrative building at Fuxingmen in Beijing, which can provide the material foundation for further improving the university.

During the meeting, a number of outstanding lecturers, teachers, administrators, and graduates received awards. Lie Jieqiong and senior officials from the relevant departments were in attendance.

#### Replacement Item

OW2211145394 Beijing XINHUA Domestic Service in Chinese 1220 GMT 21 Nov 94

[By reporter Zhang Jimin (1728 4949 3046); Beijing XINHUA Domestic Service in Chinese at 1220 GMT on 21 November carries a service message replacing the above item with the following]

[FBIS Translated Text] Beijing, 21 Nov (XINHUA)—A meeting to mark the 15th founding anniversary of the Central Radio and TV University and concurrently to commend radio and TV universities nationwide was held here today. Jiang Zemin, Li Peng, and Li Lanqing wrote inscriptions on radio and TV education.

Jiang Zemin's inscription reads: Manage radio and TV education well to raise the quality of the entire nation.

Li Peng's inscription reads: Manage radio and TV education well to train talented people for the modernization drive.

Li Lanqing's inscription reads: Further improve the management of radio and TV education to raise the quality of the entire nation and to train talented people for the modernization drive.

Wei Yu, vice minister in charge of the State Education Commission and Central Radio and TV University president, spoke at the meeting. She said: On 6 February 1979 the central and 28 provincial, municipal, and autonomous regional radio and TV universities were inaugurated all at once, opening up a new page in the history of China's radio and TV education. Over the years, under the kind attention of the party Central Committee and the State Council, a long-distance educational system with Chinese characteristics, as well as a national radio and TV educational network—embracing both urban and rural areas from the Central Radio and TV University to 44 such universities run by provinces, municipalities, autonomous regions, and cities with economic autonomy; 690 prefectural and city radio and TV universities; and some 1,600 county-level radio and TV universities—have taken shape in China. Currently more than 40,000 teaching and administrative staff and workers, including 18,000 full-time teachers, are employed under the network and system.

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universities of the world's advanced, modernized long-distance education. In delight, she told those in attendance that today the Central Radio and TV University has its own administrative building at Fuxingmen in Beijing, which can provide the material foundation for further improving the university.

During the meeting, a number of outstanding lecturers, teachers, administrators, and graduates received awards. Lie Jieqiong and senior officials from the relevant departments were in attendance.

### **CPPCC's Yang Rudai Inspects 3 Gorges Area**

*HK2211132094 Chengdu Sichuan People's Radio  
Network in Mandarin 2300 GMT 17 Nov 94*

[FBIS Translated Text] During an inspection of Wanxian City from 14 to 17 November, Yang Rudai, vice chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], encouraged cadres and masses in the Three Gorges reservoir area to emancipate their minds, work in a down-to-earth manner, and promote urban construction and rural work. Comrade Yang Rudai stressed: The Three Gorges reservoir area must properly utilize the support provided by the central departments and other cities. This force from outside the province is powerful. Internally, the infrastructural construction for the Chang Jiang highway bridge and the Wanxian-Daxian railway must be carried out well, and the relations between urban construction and rural work must properly handled. Cities must do a good job in building new districts and introducing foreign capital. In particular, new districts must employ new methods, new mechanisms, and new ideas to adapt themselves to the new situation.

On rural work, Comrade Yang Rudai pointed out: First, there is a need to aim at the market and prevent blindness. Second, plans must be worked out in light of specific conditions. Third, science and technology must be applied. Fourth, various methods must be employed. He added: A grain harvest depends on structural adjustments. Bringing about moderate prosperity must not remain empty talk, as it requires detailed methods for materialization.

### **Roundup of Study of Deng's Works 1-19 Nov**

*OW2311141194*

[FBIS Editorial Report] PRC media from 1 to 19 November carried the following reports related to the study of Deng Xiaoping's works throughout the country.

Nanjing XINHUA RIBAO in Chinese on 1 November carries a 1,700-character "commentator's article," entitled "Study Well Xiaoping's Theory on Party Building, Conscientiously Implement the Guidelines of the 'Decision'." The article hails Deng's theory as the theoretical foundation of the "Decision of the CPC Central Committee Concerning Some Major Issues on Party Building," which was adopted by the Fourth Plenary Session;



and elaborates on the need to combine the study of the "decision" with the study of Deng's selected works to identify new circumstances and solve new problems arising from reform, opening up, and the modernization drive. It notes that Jiangsu's fruitful results in both party-building and economic construction in recent years suffice to prove the great significance of Deng's theory in guiding the modernization drive. It stresses that "success in building socialism with Chinese characteristics will ultimately depend on the CPC's cohesiveness and fighting capability, on its leadership quality and standards as a ruling party, and on the extent of its achievement in the overall objective to strengthen party-building." Therefore, concludes the article, it is necessary to study well Deng's theory and implement the guidelines of the "decision" to the letter.

Hangzhou Zhejiang People's Radio Network in Mandarin at 1000 GMT on 4 November transmits a 3.5 minute-report on a forum called by the provincial party committee's propaganda department on 4 November to study Deng Xiaoping's selected works, which was attended by some 30 personalities from the social science theoretical circle, schools of higher learning, and enterprises in Hangzhou. According to the report, provincial party committee deputy secretary Liu Feng spoke at the forum and called for combining the study of Deng's works with the implementation of the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee.

Hefei Anhui People's Radio Network in Mandarin at 1100 GMT on 6 November broadcasts a 6.5 minute-report on the Anhui Provincial CPC Committee's General Office transmitting a circular issued by its Propaganda and Organization departments on 5 November to implement the CPC Central Committee Propaganda and Organization Departments' call for the study of Volumes 1 and 2 of the *Selected Works of Deng Xiaoping*. According to the report, the circular urges party committees at all levels in Anhui to attach great importance to studying and organizing study sessions on Deng's selected works, and sets the following three demands for the study: 1) Enhance the understanding and increasing the sense of urgency and awareness of the need to study Deng's works; 2) Study diligently and concentrate attention on grasping the spiritual essence; and 3) Work out well-conceived plans to continuously deepen the study. Results in the study of Deng's works will be an important criterion in evaluating the leadership ability of each department, unit, or locality, says the report. It also announces that the provincial party committee will conduct, at an appropriate time, a comprehensive inspection of the results of study of Deng's works by prefectural and city party committees.

Beijing XINHUA Domestic Service in Chinese at 0455 GMT on 9 November transmits a 798-character report on "notable results" achieved by military academies in arming their cadets with Deng's theory of building socialism with Chinese characteristics. The report

reviews various Deng theory-related courses as well as study classes on Volume 3 of Deng's "Selected Works" given by the academies, noting that political theory department heads from more than 100 academies throughout the country have attended systematic training in the study. It points out that about 140 political theory research projects carried out by the academies received state or Army awards in recent years.

"These award-winning projects, which provide deep insight into and scientific expositions of Comrade Deng Xiaoping's ideas and theory, have played an important role in guiding and promoting the study of Deng's works by a large number of cadets," adds the report.

Urumqi Xinjiang Television Network in Mandarin at 1330 GMT on 9 November carries a 2.5-minute announcer-read report on a circular issued (date not given) by the Xinjiang Autonomous Regional CPC Committee on studying Volumes 1, 2 and 3 of the *Selected Works of Deng Xiaoping*. According to the report, the circular urges all party committees and their propaganda departments to imbue themselves with a profound sense of political responsibility in making the study of the three volumes of Deng's work the central task of theoretical education among cadres; and demands leading cadres at and above the county and division level to finish reading the three volumes before the end of June 1995. The circular says: The study should be conducted in conjunction with the study and implementation of the decision on strengthening party-building adopted by the Fourth Plenary Session of the 14th CPC Central Committee, as well as the circular adopted by the seventh enlarged plenary session of the fourth regional party committee concerning the implementation of the guidelines of the Fourth Plenary Session of the CPC Central Committee in strengthening party-building.

The above cast also carries a 1.5-minute announcer-read report over video on a forum sponsored recently by the Xinjiang Military District party committee standing committee to study Volumes 1 and 2 of the *Selected Works of Deng Xiaoping*. While the video pans a conference room of about a dozen officers holding a discussion and taking notes, the announcer paraphrases a speech given by Pan Zhaomin, party committee secretary and commander of the Xinjiang Military District and deputy political commissar of the Lanzhou Military Region (MR), as urging party committees and political departments at all levels in the district to organize officers and men to systematically study the text of the "Selected Works" in order to grasp their spiritual essence accurately and in their entirety to overcome shortcomings and defects in army-building.

Beijing Central people's Radio Network in Mandarin at 2230 GMT on 9 November broadcasts a 1-minute report on an enlarged session held by the People's Liberation Army General Logistics Department (GLD) party committee from 3 to 5 November to study and implement the guidelines of the decision adopted by the Fourth

Plenary Session of the 14th CPC Central Committee. According to the report, GLD Director Fu Quanyou and Political Commissar Zhou Keyu respectively spoke on ways and means to study the three volumes of Deng Xiaoping's "Selected Works" for intensifying the construction of party organizations of various organs; and to institutionally guarantee the practice of the party's democratic centralism.

Beijing XINHUA Domestic Service in Chinese at 0745 GMT on 10 November transmits an 175-character report on the book *Study of Volumes 1 and 2 of 'Selected Works of Deng Xiaoping'*, compiled by the Deng Xiaoping Group under the CPC Central Committee's Party Literature Research Center and soon to be published and distributed by the Central Party Literature Publishing House. According to the report, "the book includes a detailed introduction to the contents and footnotes of the first two volumes of Deng's 'Selected Works', especially the newly added articles; and provides a comprehensive exposition of Comrade Deng Xiaoping's basic theoretical views and major ideas."

Hefei Anhui People's Radio Network in Mandarin at 1100 GMT on 10 November broadcasts a 2-minute report on a forum held by the provincial party committee's Propaganda Department to study Deng's theory on socialism with Chinese characteristics. According to the report, department director Du Cheng spoke at forum. He said: In continuously deepening the study of Deng Xiaoping's theory, it is essential to grasp the essence of building socialism with Chinese characteristics, to understand the theory as a science for implementing the party's basic line, to highlight the theses on the socialist market economy and on party-building, and to study the theory in the light of national interests and Anhui's "excellent situation" in development over recent years.

Shanghai People's Radio Network in Mandarin at 2300 GMT on 10 November broadcasts a one-minute report on the Shanghai Municipal CPC Committee's General office transmitting a circular recently issued by its Propaganda and Organization Departments on studying Volumes 1 and 2 of the *Selected Works of Deng Xiaoping*. According to the report, the circular calls on leading cadres at all levels to take the lead and study and penetratingly understand the basic contents and spiritual essence of the first two volumes of Deng's selected works, as well as their intrinsic links with the third volume.

The above cast also carries an under-one-minute report on a meeting held by the Shanghai Garrison's party committee on 10 November for leaders at and above the department level on studying Deng Xiaoping's "Selected Works", as well as to work out arrangements for all troops to study the first two volumes of his "Selected Works".

Beijing Central Television Program One Network in Mandarin at 1100 GMT on 13 November airs a 1-minute announcer-read report over video on Army commanders and fighters enthusiastically studying volumes

1 and 2 of Deng's "Selected Works". While the video shows shots of officers and men studying the selected works in groups, the report mentions the Langzhou and Chengdu MRs dispatching theorists to guide the study at grass-roots units; the Shenyang MR promptly sending copies of the selected works to an off-shore defense post on the first day of distribution; a Navy base in Shanghai and a North Sea Fleet destroyer conducting small-group study programs for officers and men; the Jinan MR delivering 1,000 copies of the two volumes to the MR's intellectuals; the Nanjing MR commanders taking the lead in studying the selected works; and the Guangzhou MR adopting a great variety of methods to improve study quality.

Beijing XINHUA Domestic Service in Chinese at 0901 GMT on 16 November transmits a 923-character report on campaigns to study Deng Xiaoping's "Selected Works" by militia men and reserve service forces throughout the country. The report reviews various forms of study of Deng's "Selected Works" by militia men and reserve service units in Hebei, Liaoning, Jiangxi, Henan, Tianjin, and southwestern provinces and autonomous regions since the publication of Volume 3 of the "Selected Works" toward the end of last year; and notes that in the course of study, militia men and reserve service personnel have paid particular attention to issues related to the ways and means to improve political quality, to the promotion of production and construction in contributing to reform and opening up, to the building of a socialist spiritual civilization, and to the strengthening of the awareness of defending the motherland. The report maintains that campaigns to study Deng's works over the past year have enhanced the consciousness of militia men and reserve service personnel in implementing the party's basic line as well as their pioneering spirit in building a socialist spiritual civilization, thereby giving a strong impetus to grass-roots construction and the completion of various tasks.

Beijing XINHUA Domestic Service in Chinese at 1154 GMT on 19 November transmits a 293-character report on copies of Deng's "Selected Works" being delivered to the border defense units in Tibet. According to the report, "through the joint efforts of the Military Commission, the Army headquarters, and officers and men of border defense units in Tibet, the first batch of 10,000 copies of volumes 1 and 2 of the *Selected Works of Deng Xiaoping* have been delivered to the snow-clad defense posts along Tibet's 7,000-li border."

#### Commentator's Article Praises Young Cadres

HK2211145794 Beijing JINGJI RIBAO in Chinese 30 Oct 94 p 1

[Commentator's article: "Improve the Quality of Cadres, Foster a Large Number of Leading Personnel Who Will Stride Over the Turn of the Century"]

[FBIS Translated Text] Building socialism with Chinese characteristics and realizing socialist modernization, is a



great century-transcending undertaking led by our party. In the practice of reform, opening up, and socialist modernization, our party has established the basic line of "one center, two basic points." Practice proves that a correct political line must be guaranteed by a correct organizational line. The "CPC Central Committee's Decision on Several Issues Regarding the Strengthening of Party Building," made by the Fourth Plenary Session of the 14th CPC Central Committee, clearly pointed out that, in order to unswervingly uphold the party's basic theory and basic line, maintain the party's and the country's long-term rule and stability, and continuously promote reform, opening up, and modernization, the crux rests on our party, and it rests first on the leading party and government cadres at and above the county level. Thoroughly improving the quality of the incumbent leading cadres, especially making an effort to train and select outstanding young cadres, and working hard to produce a large number of leading personnel who can stride over the turn of the century and shoulder heavy responsibilities is an important and urgent strategic duty facing our party.

Moving from the traditional planned economic system, which emerged over a long period of time, to the socialist market economic system is a profound transformation which has no precedent. It involves many areas, ranging from the economic foundation to the superstructure, and must properly handle a series of complicated contradictions. This raises new and higher demands on the ideological standard and work ability of the leading cadres at various levels. To improve the quality of, train, and select outstanding young cadres, the first thing to do is to work hard to strengthen ideological building and work style building, and, through work, enable our cadres at various levels—leading cadres first—to acquire good leadership qualities, including firm political faith, a broad perspective, open mind, strong leadership ability, and fine work style, so as to meet the needs of the new situation and duties and shoulder the important responsibility of leadership that straddles the turn of the century.

To a great extent, the party's governing ability is manifested in the leadership ability of the leading groups at various levels. To properly handle a new and complicated economic problem such as the development of the socialist market economy, the leading groups at various levels are first required to be skillful in solving problems politically. They must be skillful in using the Marxist stance and method, as well as the theory of building socialism with Chinese characteristics, to analyze and solve actual problems in work, properly handle the relations between intensive leadership over economic construction and overall leadership over socialist construction, emphasize key points, plan thoroughly while considering various conditions, and thoroughly promote work on various sides. They must be skillful in following the mass line and maintaining flesh-and-blood relations with the masses, and they must be skillful in safeguarding the unity of leading groups on the basis of

democratic centralism. They must give full play to the party organizations' role as the political core, as well as to the party members' exemplary role in being pioneers. It is necessary to make building in the areas of ideology and work style the top priority, to firmly establish the idea of wholeheartedly serving the people, and to cultivate a clean and practical work style. This is the embodiment of the party spirit among party members, and this should not change under any circumstances. First, leading cadres must run clean government; that is, they must be clean and abide by the law, refrain from seeking personal gain, and resolutely do things in a just manner. Second, they must diligently run the government; that is, they must strive for progress, be practical, and do things steadily and solidly. Leading groups at various levels must also be familiar with economic knowledge and economic rules and must upgrade their ability to master the market economy and exercise leadership over economic construction. They must make great efforts to systematically study socialist market economic theory, modern economic management knowledge, economic laws, and the party's and government's principle and policy of developing the market economy. They must organize full-time training courses for personnel in a planned manner and must organize on-the-job self studies. Particular emphasis should be laid on going deeply into the economy for practice and study, just as one learns how to swim through swimming.

Judging from the actual situation at this time, among a number of leading groups, a reasonable hierarchy regarding the ages of members has not yet been formed; in particular, there is a rather acute problem whereby major leading party and government cadres are too old and there are few candidates to take over from them. If we do not make an effort to select young cadres, then the phenomenon of the lack of successors will emerge again by the end of this century or early next century. At the same time, the development of the socialist market economy urgently requires a large number of leading cadres who are familiar with modern management, macroeconomics, law, finance, and foreign trade, especially those who can really master the socialist market economy. The leading strata also faces the duty of adjustment and renewal. Party organizations at various levels and leading cadres must seriously meet the demands of the "Decision" and, with the spirit of being highly responsible to the future and fate of the party and the country, must view the selection of young cadres as an important political duty and must consciously grasp it well and firmly. To select young cadres, the first thing to do is to correctly implement the principle of "four transformations" of the cadres contingent, as well as the policy of requiring both integrity and ability. When we select and appoint cadres and train and improve them, we must uphold the unity of integrity and ability, as well as the unity of politics and the profession, for it is one-sided to pay more attention to integrity than ability or more attention to ability than integrity.



To use the principle of integrity and ability to select cadres in the new period, we set two main requirements: First, the political requirement; that is, the cadre must have a strong party spirit, must truly support Marxism-Leninism-Mao Zedong Thought, particularly Deng Xiaoping's theory of building socialism with Chinese characteristics, must adhere to the party's basic line, and must have firm faith in socialism and Marxism. Second, the professional requirement; that is, the cadre must have ability, including knowledge, experience in practice, and organizational and leadership ability. A cadre's integrity and ability are concrete and must be manifested through actual work merits. During actual work, we must use actual work merits as the basic criterion for selecting and appointing cadres and must remove conservative and outdated ideas, such as arranging the hierarchy according to years of service, demanding perfection, giving balanced consideration, and so on, so that we can boldly and promptly promote those truly outstanding cadres who have integrity and ability and who meet the needs of the party's undertaking to leading posts at various levels.

At present, when some localities select cadres, they still confine themselves to small circles or old circles and use age and seniority as criteria for judging people. The young people who have entered the leading groups are not given important jobs, and they have no way to give play to their function. This method neither lets those who select others nor those who are selected shoulder responsibility, so it seriously stifles real talent and hinders them. After being trained in the practice of reform and opening up over a decade, we have no lack of young cadres who have real knowledge and leadership ability, and the first thing to do is to further emancipate the mind and boldly select them for appointments, so that they have positions and jobs and can emerge above the others. Second, in training young cadres, we should keep in mind overall planning and long-term considerations. In a planned manner, we must select the young comrades who have good basic quality and development potential and put them in areas with harsh conditions. We must give them very difficult positions as well as important positions so that conditions are created for them to undergo training and grow rapidly. Third, we must continue to deepen the reform of the cadres personnel system, expand democracy, improve examination, promote exchange, strengthen supervision, and gradually establish a sound and vigorous personnel system which is conducive to discovering, using, and cultivating skilled human resources, so that capable personnel can emerge above the rest.

#### Journal Interviews Public Security Minister

HK2311105394 Hong Kong KUANG CHIAO CHING  
in Chinese No 266, 16 Nov 94 pp 13-17

[By Ting Pu-tien (0002 5943 1131): "Number One Person in China's Public Security Circles—Exclusive Interview With Public Security Minister Tao Siju"]

[FBIS Translated Text]

#### The Number One Person in China's Public Security Circles

China's Public Security Minister Tao Siju, a large and energetic man who is 1.8 m tall, is another person who attracts attention from home and abroad. He has a very good reputation within the organs as he is conversant with public security work and also for his resoluteness and courage in work. In 1983, as an outstanding middle-aged cadre with professional knowledge, he was elected a public ministry leader. As an exception, he was consequently promoted from the post of vice department head to be vice public security minister. On 28 December 1990, he was officially appointed public security minister. In the list of China's new cabinet as approved at the First Plenary Session of the Eighth NPC in 1993, his tenure was extended.

#### He Is Very Conversant With Public Security Work and Once Worked in the Central Military Commission

Tao Siju is a native of Jingjiang, Jiangsu province. He was born in 1935 and is now 59 years of age. He joined the CPC in 1949 when the PRC was founded. In 1950, he went to study at the Central Public Security Cadre School and from 1951 onward, he worked as assistant, division clerk, and vice division head in the Ministry of Public Security. Between 1956 and 1959, he studied English at the Diplomacy Institute and after that he went back to work in the ministry of public security. Like most other cadres, he had to leave his post and went to do manual work in the countryside when the Cultural Revolution began in 1966. In 1975, he was transferred to the Chinese Academy of Sciences Division of Philosophy and Society. In 1977, as all government departments gradually resumed normal operation, he was transferred back to the Ministry of Public Security. In 1978, he was transferred to the CPC Central Military Commission as secretary to Luo Ruiqing, the then secretary general of the Central Military Commission. In 1979, he went back to work as vice department head in the ministry of public security. Since 1983 he has been promoted to the posts of vice minister and minister. In 1992, he was officially awarded the title of Police Chief with the serial number 01-00001 and became the real number one person in the Ministry of Public Security.

Tao Siju has a happy family. His wife is from Shanghai. She is pretty and good and has professional knowledge. They have two daughters, who have finished their schooling and are now working in Beijing.

#### Previous U.S. Ambassadors to China Are Tao Siju's Friends

Tao Siju is energetic and industrious. He is strict with both his subordinates and himself. During his spare time, he likes to take a walk, listen to classical music, and to read. He sometimes plays mahjongg or bridge with his family and friends at home during the festivals and

public holidays. He likes to make friends with young people and spend some time chatting with ordinary policemen and people's policemen. Sometimes, he even calls them his brothers.

Tao Siju is also good at diplomacy, especially at dealing with Americans and discussing issues with them. It has been learned that previous U.S. ambassadors to China are all his friends.

Tao Siju is a very good talker. He would talk on and on over diplomacy, internal affairs, and even reading. Not long ago, KUANG CHIAO CHING specifically asked him to express his views on some current public security issues in China and the following is the content of the interview:

#### **How Do You Appraise China's Current Public Order Situation**

[Ting Pu-tien] What do you think of China's current public order situation? What new public order problems have surfaced since reform and opening up?

[Tao Siju] Public order problems exist all over the world and the governments of all countries are very concerned about them. In some countries, crime is rather serious. Since China entered the new period in which economic development has been taken as the central task, we have always adhered to the principle of "doing two types of work and attaching simultaneous importance to both," adhered to dealing severe and quick blows to serious crimes, and vigorously promoting the comprehensive management of public order, thus maintaining a generally stable public order situation. By the end of 1993, we had conducted comprehensive appraisals of the public order situations in 1,758 counties (county-level cities and districts), in 18 provinces and autonomous regions, and we discovered that the public order situation in 67.2 percent of them was good, 28.8 percent was fair, and in 4 percent it was poor. I think the appraisal results tally with China's public order as it really is. In recent years, the state and all localities have introduced a series of important reform measures and adopted a series of new measures to give impetus to economic development. Thanks to a stable public order environment, these reforms can proceed smoothly and do not create big shocks. Following the further development of reform and opening up and economic development, international contacts are increasing substantially and some big international events are being held in China. All these are proceeding smoothly under a fine public order. Therefore, we believe with good reason that public order in China is generally stable and good. In recent years, foreign investment in China has increased annually. In the past year or two particularly, the increase has been greatest. The good investment environment contains an important factor, namely a comparatively stable public order situation which can indirectly attest to my above-mentioned view.

#### **How Should the Ministry of Public Security Cope With the Daily Increasing Number of Crimes**

We attach great importance to the increasing number of crimes in recent years. Between January and September, China's public security organs received 1.16 million crime reports, up 3.1 percent from the same period last year. Of this total, some 440,000 were big cases, an increase of 16.4 percent over last year. Compared with the previous year, criminal cases last year rose by 2.2 percent and big cases rose by 18 percent. The trend of increase in recent years has been roughly the same. The salient problem is that the number of cases of theft, burglary, robbery, blackmail, and extortion have increased; the number of violent crimes has increased and organized crime perpetrated by gangs and evil forces has obviously increased in a few places. For the Qian-daohu Incident, for example, which occurred in April, public security organs did a great deal of work, cracked the case within a comparatively short time, and had the three criminals involved in the case executed. In the shooting incident in Beijing on 20 September, the criminal opened fire and escaped. Public security organs promptly set up road blocks and shot the murderer then and there, thus preventing him from doing a greater harm.

#### **Criminal Activities Spreading From Outside the Borders Have Obviously Increased**

Furthermore, criminal activities spreading from outside the borders have obviously increased. Crimes committed by migrant workers, economic extortion and fraud, and burglary and stealing of motor vehicles have tended to increase in recent years. Despite repeated operations, the kidnapping and trafficking in women and children, drug-related crimes, and the manufacturing and selling of firearms, prostitution, and the patronizing of prostitutes are still there.

There are many reasons for this. Since reform and opening up, huge changes have occurred in all aspects of China's social structure and social life; the flow of people, wealth, and materials has unprecedentedly increased; and people's thinking, concepts, and behavior patterns have also greatly changed. This has greatly promoted the development of productive forces in society and yet it has caused a series of new public order problems. As the old structure is changing into a new one, during which time new social control and defense mechanisms have not been completely established, some loopholes still exist in the management of public order. This also affects the role of society in the prevention and control of criminal activities. Moreover, the unbalanced development of various regions has enhanced the difficulty of public order control and crime fighting. However, we are fully confident that we will be able to strive for a much better public order and to keep public order problems under control. China's public security organs always adopt resolute measures to crack down on all kinds of serious criminal activities. In 1993, for example,



public security organs across the country cracked 1.212 million criminal cases which had occurred in the same year, up 12.3 percent from 1992.

[Ting] What specific measures has the Ministry of Public Security adopted in recent years to improve public order?

#### **Guangdong Public Security Organs Issue Military Orders for Raids**

[Tao] The ministry of public security which takes charge of public order in society has in recent years adopted a series of resolute measures to crack down on crime and maintain public order.

Since the beginning of the year in particular, the ministry of public security has launched special campaigns against the forging and reselling of counterfeit banknotes and against interference in the new tax system; against burglary and theft; against the disruption of oil fields, telecommunications facilities, water conservancy works, and power supply facilities; against local robberies along railroads and highways; against illegal guns and drugs in hot spots; against the kidnapping of and trafficking in women and children; and against prostitution in some provinces and autonomous regions.

Guangdong's public security organs have adopted strict measures by ordering the public security bureau heads of all prefectures and cities to issue military orders and by organizing special teams to make raids at any time throughout the province. They have launched three campaigns and coordinated operations so that the rampant prostitution, gambling, and drug problems can be held in check. In the latter half of 1994, the ministry of public security has prepared concentrated operations to crack down on all kinds of criminal activities and to vigorously straighten out public order. The focus of the operations is mainly on all types of criminal gangs, murder, robbery, armed robbery, burglary, theft, drug trafficking, fugitive criminals, and so forth. In nearly three months of concentrated operations, they have achieved preliminary results. According to incomplete statistics, China has cracked 78,000 serious and big criminal cases of all kinds; arrested over 185,000 criminals; smashed over 20,000 criminal gangs of all types; arrested over 80,000 gangsters; punished a number of criminals involved in prostitution, prostitute patronizing, gambling, sex services, and in the manufacturing, selling, disseminating of pornographic videos and books; and seized nearly 120,000 guns of all types (of which 515 were military weapons), over 300,000 rounds of ammunition, and over 50,000 kg of explosives. Public order in some main areas and sites has already been straightened out or greatly improved.

#### **Perfect People's Police Patrol System and the 110 Police Emergency Call System**

While continuing the severe crackdown on crime and vigorously straightening out public order, the ministry of

public security, bearing in mind the aim of serving reform and opening up and economic development in a still better way, has adopted a series of measures and continuously improved and strengthened various public security jobs. First, it is continuously improving and perfecting the people's police patrol system and the 110 Police Emergency Call System. To this end it has deployed a force of over 30,000 police, thus further enhancing the capability of controlling urban public order under a dynamic environment. Police stations insist on around-the-clock office hours. They are always ready for visits by the masses and will resolve difficulties and troubles for them and cope with public security problems. Second, the ministry is vigorously proceeding with the comprehensive management of public order. In response to the weak links that exist, it is implementing control and preventive measures and is further improving and perfecting Chinese-style mass public order prevention organizations and propaganda organizations such as the public order assurance committee. It is mobilizing people of all sectors in society to care for and support public order and mobilizing forces in society to safeguard public order. Third, the ministry is continuously encouraging the establishment of small security districts and is making efforts to set up a number of counties, cities, and prefectures whose public security environments are comparatively good and where people will have a comparatively good sense of security so that these places can have increasingly good public order. Moreover, the ministry of public security has adopted a series of other fortifying measures in such areas as making suggestions regarding public security legislation; educating and training the public security force; strengthening immigration control, fire service supervision, public order, traffic control, and household registration management; and stepping up international action against crime. It has obtained very good social effects in these areas.

#### **How Will the Mainland Police and Hong Kong Police Cooperate As 1997 Approaches?**

[Ting] What achievements have the mainland and Hong Kong police scored in their cooperation against crime in recent years? As 1997 is approaching, how will the police of the two places further strengthen cooperation?

[Tao] In recent years, mainland public security organs and Hong Kong police have had very successful cooperation in their crackdown on interregional crimes and have made positive achievements. Since 1991, Guangdong's public security organs have already turned over to Hong Kong police more than 60 luxury sedans which had been stolen from Hong Kong. In 1992 alone, Guangdong's public security organs repatriated to Hong Kong police 31 suspects who had stolen into the mainland after committing robberies and burglaries in Hong Kong. This May, we turned over to Hong Kong police five luxury yachts stolen in Hong Kong waters together with eight suspects involved in the case. The fact that mainland public security organs and Hong Kong police join hands



to crack down on crime is a powerful deterrent to criminals. Moreover, mainland public security organs also get positive cooperation from Hong Kong police when they come to conduct investigations and gather evidence in Hong Kong. This kind of cooperation plays a positive role in safeguarding a stable public order in the two sides.

**What Did Police Commissioner Eddie Hui Ki-on Discuss With China?**

As 1997 is approaching, police cooperation between the mainland and Hong Kong is increasingly important and will be increasingly close. Cooperation between the two sides through Interpol has been very fruitful in the past. Guangdong-Hong Kong meetings and border meetings have also played a positive role. This August, Mr. Eddie Hui Ki-on, the new Hong Kong police commissioner, visited Beijing. We hope that in addition to further strengthening working meetings, police of the two sides will expand exchanges in police work, education and training, technology and equipment, and culture and sports through a variety of activities such as the exchange of visits and entertainment activities.

We welcome Hong Kong police officers to tour the mainland and spend their vacations and visit their relatives on the mainland to further improve understanding between the police of the two sides, strengthen their close ties, and enhance cooperation. We hope that Hong Kong police officers will continue to devote themselves to their duty after 1997 and play their role in Hong Kong's prosperity and stability.

Whatever is beneficial to Hong Kong's smooth transition, beneficial to Hong Kong's stability and prosperity, and beneficial to Hong Kong residents in their pursuit of happy and contented lives, mainland public security organs will closely coordinate with Hong Kong police and give them support.

**How Are Underworld Organizations Spreading Into China? What Does China Do To Crack Down on Underworld Activities?**

[Ting] How are underworld organizations from outside the borders spreading into China? Are there underworld forces practicing organized criminal activities in China?

[Tao] In recent years, as China has opened wider to the outside world and as international exchanges have increased, we have discovered that criminal groups and underworld elements from outside the borders are committing crimes in China. The Chinese Government always takes a very clear-cut stance on these criminal groups and underworld organizations by sticking to three principles: First, they are not allowed to develop on the mainland and they will resolutely be banned once discovered. Second, they are not allowed to take shelter on the mainland. Third, they are not allowed to engage in criminal activities on the mainland and all who break China's criminal code will be punished according to Chinese law. In the past few years, the ministry of public

security has paid great attention to the crackdown on the spread of criminal activities by underworld organizations from outside the borders. It has always conducted investigations and inquiries and adopted effective crackdown and preventive measures in light of the situation of underworld organizations. In 1992, a key personality of the "Four Seas Gang," a Taiwan criminal organization, fled to the mainland and committed crimes. As he was attempting to develop his organization, he was arrested by Shanghai's public security organ and was given a prison term. After fully serving his term, he was recently repatriated by China's public security organ. Public security organs in all localities, particularly those in Shanghai, Guangdong, Fujian, and other coastal areas pay close attention to the penetration of underworld organizations from outside the borders. Once they are discovered, they will certainly be cracked down on and banned. The crackdown on interregional crimes committed by underworld organizations is part and parcel of the joint anticrime operations between Guangdong's public security organs and Hong Kong police.

At present, no underworld organizations like Italy's Mafia or Japan's Violent Gang, which are professional and well organized criminal organizations and which control a part of social life, exist in China. The Chinese Government does not allow underworld organizations to commit crimes or oppress the people. Of the crimes committed in China, the more outstanding ones are gang crimes and organized crimes. These kind of criminal activities are more frequent than in the past and pose a more serious threat to society than in the past. It has already drawn our great attention. For example, we recently dealt a severe blow to the criminal gang headed by Wang Yinghan in Hainan. In the Criminal Code and the series of decisions formulated by the National People's Congress Standing Committee, stern punishments have been laid down for organized crime. China's judicial organs always insist on dealing heavy and quick blows to all types of criminal groups.

**Unofficial Union Founder Released Without Charge**

HK2311083094 Hong Kong *EASTERN EXPRESS* in English 23 Nov 94 p 8

[By Bruce Gilley]

[FBIS Transcribed Text] The founder of an unofficial labour union who was released from detention without charge last month has vowed to continue pressuring Chinese authorities to legalise the fledgling group.

Liu Nianchun said a decision by the Chinese Government that the National League for the Protection of Workers' Rights was "not illegal" meant the door was still open to seek to register the body. "They did not say the league was unacceptable, otherwise we would have to give up," Liu said. "In the preparation of the league we emphasised that our methods were open, nonviolent,

and according to the laws. We believe we have this power but we want to see if it really exists," he said.

In discussions with the Ministry of Civil Affairs and the Ministry of Labour during his more than four months in detention, officials admitted to Liu that they were befuddled by the league's application to register as a civil group. "They said it was the first time since 1949 that someone had tried to register a group which did not have any government backing," he said. "But they found no grounds on which to restrict or deny the application." In the end, officials said the league had contravened certain unspecified "internal regulations".

Before relaunching the league, Liu said he would devote himself to appealing for the release of fellow founders who have been sent to labour camps or remain in detention for their involvement in the group.

The Beijing University law professor Yuan Hongbing, who helped draft the league's detailed charter, remains in detention, while his student Wang Zhongqiu is on the run from police after being released on parole last month.

Zhang Lin, an Anhui Province activist, has been sentenced to three years in a labour camp. "This work is still very dangerous. But someone has to do it," Liu said.

Beijing police released the veteran dissident in mid-October after more than four months in detention. Liu, 46, said he had been kept under 24-hour surveillance in a room in the Wenchuan Cadres Training Centre in Haidian District.

China told the United Nations in August that Liu had been placed under "household surveillance" but denied detaining him. "If that was the case then I should have had a certain amount of freedom and my family should have been informed. But neither was the case. It was like being in prison," Liu said.

#### **Nightclubs, Bars Must Buy Revolutionary Songs**

HK2311083194 Hong Kong *EASTERN EXPRESS* in English 23 Nov 94 p 8

[By Bruce Gilley]

[FBIS Transcribed Text] Beijing yesterday signalled an eerie intensification of its patriotism campaign by ordering every nightclub and karaoke bar in the country to buy a prescribed selection of revolutionary songs or face closure.

Until now, the "programme for education in patriotism", launched by the Communist Party in September, has been confined to schools and media organisations, while the nation's private life has been left alone.

Yesterday's announcement makes good a threat by the Minister of Culture, Liu Zhongde, who told the People's Daily last month that it was "necessary to draw up relevant regulations for cleaning up audiovisual works

played in commercial music halls and other entertainment outlets in order to ensure the smooth acceptance of state-endorsed songs".

Under the new directive, every one of the nation's more than 200,000 nightclubs and karaoke bars must purchase a ministry-approved laser disc containing 55 patriotic songs. "These songs were selected from 100 patriotic movies which laud China's socialist achievements and its veteran revolutionaries, as well as the nation's fine tradition," the New China News Agency (Xinhua) said.

The ministry will inspect every entertainment venue in the country at the end of the year to ensure they have bought the disc, the report said.

"They must be supplied with the disc by the end of this year or their licences will not be renewed," it quoted Pan Yi, the head of the ministry's audiovisual section, as saying.

"The move is aimed at publicising patriotism among the masses," Pan added.

No mention was made of whether playing the discs would be mandatory, but observers said the signal being sent out was clear.

"This is not just an ordinary patriotism campaign. The Communist Party is making a determined effort to target affluent young people, who they believe have strayed furthest from party principles in their thinking," a woman in Beijing said.

When the patriotic education campaign was launched in September, officials left little doubt that it was intended to bolster the flagging fortunes of the Communist Party. "In particular, we must make the people understand the party's lofty spirit and glorious achievements," the campaign circular said.

While laying greatest stress on patriotic education among the youth, the circular laid down specific tasks only for schools, state work units and government propaganda departments.

Liu later expanded the scope of the campaign to include the elimination of "cultural trash" from the country's entertainment industry "so that the patriotic spirit will become the main theme of mass cultural and recreational venues."

State-endorsed songs from the ministry's "Chinese Music Collection" as well as Beijing opera karaoke songs would be mandated in such places, he said.

#### **Propaganda Department Commends Publishing Houses**

HK2311060694 Beijing *RENMIN RIBAO* in Chinese 12 Nov 94 p 1

[By staff reporter Zhou Qing (0719 1987): "Central Propaganda Department and Press and Publications

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Administration Hold Meeting To Commend 15 Outstanding Publishing Houses"]

[FBIS Translated Text] Beijing, 11 Nov (RENMIN RIBAO)—The Propaganda Department of the CPC Central Committee and the Press and Publications Administration held a meeting today to commend 15 outstanding publishing houses.

The 15 publishing houses include: People's Literature Publishing House, Cultural Relics Publishing House, Machine-Building Industry Publishing House, Golden Shield Publishing House, Qinghua University Publishing House, People's Posts and Telecommunications Publishing House, Tianjin People's Arts Publishing House, Hundred Flowers Literary and Art Publishing House, Shanghai Dictionary Publishing House, Zhejiang Children's Publishing House, Guangdong Science and Technology Publishing House, Yueli Publishing House, Liaoning People's Publishing House, Shandong Education Publishing House, and Jiangsu Education Publishing House.

Last October the Central Propaganda Department and the Press and Publications Administration jointly commended 15 publishing houses including the People's Publishing House. This is the second group of outstanding publishing houses to receive such an honor.

Taking Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line of "one center, two basic points" as their fundamental guiding principles, these 15 publishing houses upheld the orientation of serving the people and socialism and made unremitting efforts to boost the cause of socialist publication. They conscientiously observed the country's laws, regulations, and publication management rules; consciously placed social effect in the first place; made strenuous efforts to improve the quality of books; insisted on not selling their registered numbers for the sake of profits; and set a fine example for publication circles. Meanwhile, they also gained experience in exploring the unity of social effect and economic efficiency, and published a large number of good books well received by the broad ranks of readers.

Xu Weicheng, Yu Youxian, Ye Zhishan, and Chen Yuan attended the meeting and delivered speeches.

#### Culture Ministry To Revive Peking Opera

OW2311145594 Beijing XINHUA in English 1437  
GMT 23 Nov 94

[FBIS Transcribed Text] Beijing, November 23 (XINHUA)—China has decided to arrange for unprecedented grand celebrations in honor of two Peking opera masters, in an attempt to revive the 200-year-old art.

Mei Lanfang and Zhou Xinfang, born at the end of last century, are regarded as the people who had developed Peking opera into a national treasure. The two actors'

birthday centennials fall in October this year and January next year, respectively.

A celebration lasting over one month will be sponsored in commemoration of Mei and Zhou. The former was famous for playing beautiful women, although he was a male, and the latter was good at kung fu and usually played hero parts.

They both have numerous fans worldwide.

Since their deaths, in the 1960s and 1970s, however, Peking opera has gradually declined, overshadowed by modern entertainment means such as films and, later, karaoke and cable TV.

A Culture Ministry spokesman said here today that the government has formed a committee, whose chairman is Li Ruihuan, a member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee, to oversee the activities.

In the coming weeks the country is expected to become a hive of Peking opera performances, and exhibitions and seminars on the tradition will be hosted. In addition, television programs will be produced in honor of the two masters.

"We see the celebrations as a chance to discuss the problems Peking opera is faced with, and in this way, will not only Peking opera be boosted, but also the whole folklore repertoire of the nation," said Gao Zhanxiang, deputy minister of culture.

Meanwhile, a Peking opera foundation has been set up and 100 items of repertoire are under emergency protection. Young actors are being trained.

The government has urged that next year there should be more television and radio programs devoted to Peking opera, and Peking opera courses should be taught in schools, Gao said.

#### Private Sector Workers Begin Receiving Pensions

OW2311090694 Beijing XINHUA in English 0750  
GMT 23 Nov 94

[FBIS Transcribed Text] Beijing, November 23 (XINHUA)—Private workers in Anshan, an industrial city in northeast China's Liaoning Province, have turned out to be the latest beneficiaries of old-age pensions, long a privilege of workers in the state and collectively-owned sectors only.

Sun Suzhen, owner of a private grocery, became the city's first self-employed person to receive a retirement pension from the city's social insurance company in September, when she reached the state-set retirement age for women.

Starting in 1991, Sun began making insurance payments to the local government, in addition to making retrospective payments for the years back to 1983.



By September, she had turned in to the government a total of 2,840 yuan (326 U.S. dollars) in old-age insurance fees, which entitle her to some 104.40 yuan in monthly retirement pay now that she has reached retirement age.

According to regulations, Sun's monthly retirement pay will increase at the same rate as that of the average salary of city workers.

Based on average life expectancy, sun will receive an estimated 30,000 to 40,000 yuan in total retirement pay.

"That's something I never dared dream in the past," Sun said, adding that many of her fellow citizens are following suit.

China has, over the years, been reforming its pension system in order to bring more people under the insurance umbrella now that the country is pursuing a market economy.

#### **Growth Reported in Domestic Labor Services**

OW2211135394 Beijing XINHUA in English 0635  
GMT 22 Nov 94

[FBIS Transcribed Text] Beijing, November 22 (XINHUA)—The improvement of the standard of living in China has prompted a rapid development in labor services for households, such as housekeeping, home tutoring and home health care.

Residents, especially urban ones, are spending less and less time doing household chores or coaching children in their study, according to the CHINA INDUSTRIAL AND COMMERCIAL NEWS.

In 1983, the first housekeeping service organization was set up in Beijing. It has enjoyed rapid growth over the last decade. In Shanghai for example, some 200 such organizations have been set up.

Tutoring has also come into vogue in China's large and medium-sized cities. A survey in the cities of Beijing, Tianjin and Shanghai showed that 60 percent of the families engaged the service of tutors for their children from time to time and 30 percent engaged them on a regular basis.

Health care services have also become a part of Chinese family life at a fast pace during the last two years. In April of this year, a health care association was set up in Beijing to provide services such as household health care and consultation for individuals.

Medical services were also provided for those needing special nursing and those of old age who have difficulties in going to hospital.

Other services such as direct marketing of goods for daily use and retailing stores which deliver goods to the doorstep have been growing rapidly in China.

#### **Article Urges Tighter Control Over Medicine**

HK2211132994 Beijing RENMIN RIBAO in Chinese  
19 Nov 94 p 2

[Commentator's Article: "Medicine Control Must Never Be Relaxed"]

[FBIS Translated Text] Medicine is a special commodity related to the people's health and their very life. Strengthening medicine control, guaranteeing medicine quality, and safeguarding medicine production and operation order are of paramount significance and importance to protecting people's health and life, safeguarding social stability, and ensuring smooth reform, opening up, and economic construction.

To tighten medicine control, over the past few years the state has formulated the "PRC Medicine Management Law," has enacted a series of relevant decrees and administrative regulations, and has organized and launched a number of ruthless crackdowns on such illegal activities as manufacturing and marketing false and substandard medicines, with gratifying results. Statistics have shown that the country has cracked more than 80,000 cases of manufacturing and marketing false and substandard medicines and has severely punished a large number of criminals involved in such cases during the 1985-1993 period, thereby restoring order to the medicine market to a certain extent. Nonetheless, we should also be aware of an indisputable fact: The country is still plagued by quite a few medicine control problems, and some are very serious. Such illegal activities as manufacturing and marketing false and substandard medicines have already run rampant, rather than being quelled. In total disregard of actual local conditions, some localities and departments have violated medicine control decrees and regulations by setting up medicine production and operation enterprises and markets with a view to pursuing local and departmental gains, thereby throwing the country's medicine production and operation into chaos. In consequence, malpractices like demanding and offering bribes, demanding and offering commissions, and so on have become commonplace in medicine purchase and marketing activities. Some areas have even displayed a large number of medicinal advertisements with illegal and false contents. On the other hand, the development of new medicines lacks proper protection. As such phenomena has aroused strong resentment among people from all walks of life in society, it is high time we took resolute action to tackle the aforementioned problems.

The State Council recently issued an emergency circular on further strengthening medicine control and called a national teleconference on the same subject the other day. These steps have shown that the government is determined to rectify the medicine market and tighten the controls on medicine. Therefore, the localities and departments concerned should strive to implement to the letter the spirit of the above mentioned "emergency

circular" and "teleconference" and energetically press ahead with the work in accordance with the State Council's unified arrangements.

Some comrades think that, in building a socialist market economic structure, we can relax or even lift the controls on medicine production and operation and treat medicine as an ordinary commodity. This is indeed an erroneous view. As a matter of fact, the production and marketing of medicine as a special commodity should be subject to a whole set of laws, decrees, and measures under the socialist market economy. Allowing false and substandard medicine production and marketing to continue unabated and turning a blind eye to medicine market disorder will certainly constitute a grave dereliction of duty. In no way does rectifying the medicine market and tightening medicine control constitute an expedient measure. We should make sustained and unremitting efforts to push forward the work in this area.

At this time, the people's governments and departments concerned at all levels should first and foremost strive to heighten understanding and vigorously strengthen leadership over medicine control work. Second, we should adopt forceful measures to enforce the relevant laws and rectify medicine production and marketing enterprises and individual medicine operators, rectify and standardize medicine production and operation order, improve medicine marketing management in accordance with the law, rectify and standardize the traditional Chinese medicine market, strengthen intellectual property rights protection related to medicines, and urge enterprises to develop and manufacture new medicines. Third, we should continually and profoundly crack down on criminal activities such as producing and marketing false and substandard medicines and focus on investigating and cracking in accordance with the law cases of producing and marketing false and substandard medicines as well as other relevant law-violation or discipline-violation cases in the ongoing anti-corruption struggle. Toward this end, the government departments concerned at all levels should coordinate and cooperate with one another, constantly heighten medicine control standards, and strive to promote the healthy growth of China's medicinal cause.

### Science & Technology

#### Official Urges Developing Science, Technology

HK2211131794 Beijing RENMIN RIBAO in Chinese 5  
Nov 94 p 3

[Article by Zhou Guangzhao (0719 0342 0664), president of the Chinese Academy of Sciences: "Develop Scientific and Technical Strategy Which Conforms With Our National Conditions"]

[FBIS Translated Text] We are currently formulating a plan, but I think we should also formulate a strategy for science and technology to encourage Chinese scientists to undertake research in their home country. When

formulating the plan and strategy, we need to solve several problems and find a way for us to catch up with others, given our current backward condition. We are aware that we are lagging behind, but we must have full self-confidence. In the past, Chairman Mao faced a very strong enemy as well, but he devised outflanking tactics and defeated this formidable foe in the end. Our case in the area of science and technology is similar to his. Our rivals are now stronger than we are, and, without a strategy, the only thing we can do is to always follow behind them and import whatever others can offer us. We will never catch up with others this way; the most we would be able to expect would be to get closer to them, lagging, say, 5 or 10 years behind them.

Our strategy for science and technology must be based on the idea of "defeating a stronger rival with limited resources and forging ahead to catch up with the advanced." We must seize the opportunity, make meticulous arrangements, select some projects to start with, and try to first make breakthroughs in some specific areas. We must have the determination to attain the highest level in certain fields within a short time. In this regard, I think, Comrade Wang Xuan has done a very good job and set an example for us. Only when China holds intellectual property rights in one area after another will we be able to build up our national pride. When we win in a certain area, we will build up our self-confidence in this area, and, when we win in another area, that will add to our self-confidence as well.

Nowadays foreign enterprises are marching into China's market, and we are facing very serious challenges. If we do not develop a scientific and correct strategy for science and technology, do not bring scientists and technologists' initiative into play, and do not make them strive very hard at home to enable the country to catch up with others, these people will possibly be recruited by Sino-foreign jointly funded enterprises and will become high-income staff members of these enterprises. Then our country will most likely be rendered an economic colony but nothing more!

When we talk about learning from foreign countries, we mean to take their experience for reference rather to indiscriminately copy anything that is foreign. In the past we indiscriminately copied the Soviet model. This left many problems which are facing us even today. So, are we going to indiscriminately copy Western models today? By the way, there are various different Western models, the U.S. model, the Japanese model, the German model, and so on. Each country has its own model for scientific and technological development which is different from the rest. Every individual model is formulated by a country according to its own history and in light of its own national conditions. But we, it seems, are not really well aware of this. Some people have been indiscriminately learning and copying from foreign countries. Anyway, we must find our way according to our own history, in light of our own national conditions, and with our strategy for science and technology as our guidance. We must constantly adjust and



update our model. We should learn and benefit from foreign countries' strong points and eliminate their weaknesses. Only in this way will we be able to do a better job and catch up with others. Foreign countries are progressing very fast under their own models. If we want to catch up with them, then we will have to progress still faster. How can we achieve this without our own model? If we are to indiscriminately copy the U.S. model, how will we be able to make it? Remember that the United States is very rich, and the funds for scientific research available to a single large university for one year are almost equal to the total amount of funds we have for the entire Academy of Sciences?

We must not throw away the successful experience we have gained in the past before we have carefully thought about it. For example, the principle of "carefully organizing an operation and setting a right target" is a point that was proved effective by our experience in the 1950's and 60's. Although the case is quite different today, given the conditions under the socialist market economy, the good experience we gained in the past still deserves to be studied. To be sure, it is easier to bring people's initiatives into play under the conditions of the market economy. However, I believe, well organized resources will after all be greater than dispersed ones, even under the conditions of the market economy. The key lies in the necessity of working out an effective way of organizing resources and a method which conforms with the laws of development of science and society.

#### **Song Jian Urges Promotion of Computer Technology**

OW2311120894 Beijing XINHUA Domestic Service in Chinese 0813 GMT 22 Nov 94

[By RENMIN RIBAO reporter He Huangbiao [0149 7806 1753] and XINHUA reporter 6392 2254]

[FBIS Translated Text] Beijing, 22 Nov (XINHUA)—The State Science and Technology Commission today commended experts and technological personnel involved in the state experimental project of computer systems for integrated manufacturing, which has won the international "University Leading Edge" award. Speaking at the commendation ceremony, Song Jian, state councillor and minister in charge of the State Science and Technology Commission, pointed out that we must vigorously promote the popularization and application of the technology of integrated manufacturing to serve the needs of national economic construction.

Song Jian said: Manufacturing industries are the foundation of material civilization. Their development is vital to a nation's progress. Today, as many as a million scientific and technological personnel still use manual drawing. This state of affairs must change. We are determined to discard drawing boards before the end of this century, catch up with the advanced international

current, and raise the productivity of China's manufacturing industries. The state experimental project of computer systems for integrated manufacturing has made important contributions to achieving this goal. Many enterprises have gained greater understanding of integrated manufacturing computer systems. This is an encouraging development.

Jiang Xinsong, chief expert on the state's "863" automation project; Wu Cheng, director of the state Research Center for Integrated Manufacturing Computer Systems; and representatives of the business community all pledged to adopt measures to popularize integrated manufacturing computer systems as soon as possible.

#### **Ministry To Reorganize Chemical Industry**

OW2211173894 Beijing XINHUA in English 1322 GMT 22 Nov 94

[FBIS Transcribed Text] Beijing, November 22 (XINHUA)—The Ministry of the Chemical Industry has worked out a blueprint for establishing a modern enterprise structure within the industry and set a preliminary target of founding five enterprise groups with average annual sales volumes reaching ten billion yuan (about 1.18 billion U.S. dollars)-worth each.

Senior officials of the ministry told XINHUA that ten enterprise groups, with annual sales volumes topping five billion yuan-worth each and another 40 groups with sales volumes reaching one billion yuan-worth each are due to be founded by the beginning of the next century.

The ministry is now conducting a special survey on the progress of building modern enterprise structures in 100 state-owned large and medium-sized chemical plants across the country.

The survey is scheduled to be completed in three months.

"The development of China's large and medium-sized chemical plants will be on the basis of public ownership. Rumors abroad that China's rapid economic growth can be attributed solely to privatization are groundless," said Gu Xiulian, minister of the chemical industry, when addressing a recent national conference here.

#### **Young Scientists To Receive More Money**

OW2311104794 Beijing XINHUA in English 1024 GMT 23 Nov 94

[FBIS Transcribed Text] Beijing, November 23 (XINHUA)—Fourteen young scientists each has got about 2 million yuan in grant-in-aid for their research activities up to the year 2000, the Academy of Sciences of China announced here today.

They are among the 100 young scientists to be chosen for a financial aid project launched by the Chinese Government in a bid to make them leading scientists by the turn of the century.



A total of 200 million yuan (23.5 million U.S. dollars) will be thrown into the program in the remaining years of this century, a senior official of the academy told XINHUA.

The rest of the 100 scientists are being selected from among young researchers of the Chinese nationality throughout the world, the official said.

The grant-in-aid will cover expenses for purchasing research instruments and other necessary facilities as well as housing subsidies.

The first group of young scientists chosen are all holding the doctor's degree and they average 35 in age. Eleven of them come from renowned research institutes and universities across the country and the other three are doing research at the Houston Space Center of the United States, Japanese State University of Electrical Engineering and a British University.

The official said that all of the 14 young scientists enjoy respectable academic positions in their own research fields like organic chemistry, silicate research, optics and electronics, and most of them are doing major research projects in China or in foreign countries.

Associated Professor Wang Enge is sponsoring three research projects financed respectively by the U.S. defense ministry, the U.S. aeronautic and space administration, and the U.S. natural sciences foundation.

"The 100 young people are bound to become leading scientists who will carry their achievements over well into the next century and become organizers and directors in major research programs and key subjects," said professor Lu Yongxiang, executive vice-president of the academy.

Lu disclosed that the academy plans to train 30,000 more qualified young scientists and technicians by the year 2000 and select 2,000 from among them as "elites", who will be put in charge of ordinary research programs.

He said that the academy has eased the most worrying personnel crisis in recent years as a large contingent of young scientists have come to the fore.

At present, there are more than 33,000 scientists in the academy whose age is below 45, accounting for 57 percent of the total. The number of young scientists holding senior positions or academic titles has come to 1,700, accounting for 11 percent of the total.

Meanwhile, the academy has instituted the most rigorous standards for conferring academic titles on researchers in natural sciences since the beginning of this year.

According to the standards, researchers without the doctor's degree will have no hope of being promoted to fellowship or professorship and in some institutes under

the academy, the publication of at least 10 papers is the minimum requirement for promotion to research fellowship.

**Daya Bay Nuclear Power Station Operating Safely**  
*OW2211142394 Beijing XINHUA in English 0945 GMT 22 Nov 94*

[FBIS Transcribed Text] Shenzhen, November 22 (XINHUA)—The No. 2 generating unit of China's Daya Bay nuclear power plant has been operating smoothly and safely for 200 days running.

The Daya Bay is located in south China's Guangdong Province. Construction of the power plant began in 1984 with help from France. The No. 1 generating unit of 900,000 kw was put into commercial operation in February 6 this year.

The No. 2 generator unit went on stream in May 6 this year. The unit has so far generated 4.472 billion kWh of electricity, 4.282 billion of which were transmitted to the national power grid.

**500 Kilowatt Nuclear Fuel Test Loop Operational**  
*OW2311125294 Beijing XINHUA Domestic Service in Chinese 2113 GMT 19 Nov 94*

[By reporter Yu Bin (0151 2430)]

[FBIS Translated Text] Chengdu, 20 Nov (XINHUA)—The installation of China's first 500 kw test loop for the fuel element of a large nuclear power station was recently completed and put into operation in Sichuan.

The test loop is mainly used to conduct irradiation tests of fuel elements in nuclear power stations. As the key component of a nuclear power station, the fuel element must undergo irradiation testing for a comprehensive verification of the soundness of its design, material, production technology, and irradiation function before it can be installed in a nuclear power station with assurance.

The task of producing such a test loop is the equivalent of building a small reactor inside a high-flux reactor. It uses neutron bombardment of the fuel element undergoing testing inside the loop to recreate the operation of a nuclear power station and, thereby, conduct the irradiation.

In terms of the number of fuel elements capable of undergoing testing, the product's range, and its fuel consumption are concerned, the 500 kw test loop exceeded all previous ones tested in China. Technicians from the China Nuclear Power Institute tackled key problems through arduous work and accomplished the mission assigned by the "General Office of the State Key Technology and Equipment Advisory Group" under the State Council. With the approval of the National Nuclear Safety Administration, the test loop has begun operation.

**'Xiangyanghong 09' Exploration Ship Back in Qingdao***OW2311035394 Beijing XINHUA in English 0340 GMT 23 Nov 94*

[FBIS Transcribed Text] Qingdao, November 23 (XINHUA)—The "Xiangyanghong 09" scientific exploration ship recently returned to this port city in east China's Shandong Province after exploring the metallic nodule resources in the Pacific Ocean.

The ship left Qingdao on April 8 this year, returning on November 18 after a 225-day mission during which 108 scientists and crew members conducted geological samplings, multi-frequency exploration, biochemical studies and located rich mineral areas in China's exploration zone in the Pacific Ocean. Two foreign trainees also completed their training on the ship.

In 1991, a Chinese Government application for approval to explore the mineral resources in the Pacific was ratified by the United Nations and the "Xiangyanghong 16" was soon sent on an exploratory mission. In May of 1993, however, the "Xiangyanghong 16" was sunk in an accident. Two months later, the national bureau of oceanography decided to send the "Xiangyanghong 09" to continue the mission.

The "Xiangyanghong 09" has sailed a total of 36,000 sea miles, setting a record in China's history of oceanic exploration.

**Military****Computers Utilized Throughout Armed Forces***HK2211131694 Hong Kong MING PAO in Chinese 8 Nov 94 p B1*

[Report: "Chinese Army Computerized"]

[FBIS Translated Text] Use of computers in the armed forces 10 years ago was limited only to a small number of troops and the national defense scientific research departments. Today, computers have been popularized all the way down to units at the regimental level. An official in charge of a relevant department said that computers have become an important means for organizing command, training, drills, and missions.

A leader in charge of military technology under a north China mechanized group army said that the unit did not have a single computer before 1980. Now all the newly equipped troops are computerized. One-third of the technical troops in the group army now have computers.

During the early 1980's, the Military Science Academy took the lead in the entire army in carrying out simulated computer training. The Central Military Commission decided to set up a simulated training center in 1986 to ensure tactical exercises of the units directly under the

military regions. The General Staff Headquarters established the Army's largest ground tactical simulated computer training center in 1987 for tactical drilling exercises of commanders at the division and regiment levels.

Computer applications in the Chinese Army have expanded from operation and training to other fields. The offices of the organs at and above the Army level have all been computerized. All the units have held computer training classes, and the military academies offer computer courses. The mastery and use of computers have become necessary skills for Chinese military officials.

**Economic & Agricultural****Minister Chen Cited on Price Reform Crackdown***OW2311080994 Tokyo KYODO in English 0720 GMT 23 Nov 94*

[FBIS Transcribed Text] Beijing, Nov. 23 KYODO—In an attempt to hold in check the burgeoning freedom of China's markets, the country's conservative State Planning Commission on Wednesday [23 November] called for strict supervision of price reforms as a key to fighting inflation and controlling divisive pressures on the economy and society.

In an article in the Chinese-language PEOPLE'S DAILY, commission head Chen Jinhua epitomized the heavy-handed political and social constraints which have come to characterize the central leadership's stop-go policy on implementing economic reform.

China's ongoing reform of prices, whose goal is to let market forces predominate, has been hampered by inflationary pressures and bad practices which, according to Chen, include price gouging, the chaotic charging of fees, the cheating of customers, creation of price monopolies and the seeking of exorbitant profits.

"To do a good job of carrying out price supervision and inspection, work must be directed against a relatively wide area of illegal pricing practices, repeated again and again, and deal with some relatively difficult features," Chen said.

Emphasizing the need for tightening social as well as economic controls, Chen said "priority will be given to...social supervision," adding "the supervision of public opinion and...the internal functions of enterprises should help the price supervision network cover the whole of society."

Chen gave details of a five-point plan for implementing price supervision which calls on leaders of enterprises and labor unions to organize workers, residential committees, and all sections of the media, to begin monitoring prices.

Chen's article did not, however, contain any mention of this year's over 40 percent increase in fixed assets

investment, a 31 percent increase in urban wages, or an increase of more than 30 percent in bank loans, as contributing to China's inflation problems.

Despite widespread calls to curb inflation, traditional mass campaigns such as the one now proposed by Chen have often been regarded more as efforts to retain and strengthen the existing structures of the centrally planned economy, analysts said.

#### State Council Calls For Curbing Consumption

OW2211141494 Beijing XINHUA Domestic Service in Chinese 1120 GMT 11 Nov 94

[By Beijing Central People's Radio Network reporter Liu Zhenying (0491 2182 5391) and XINHUA reporter Wu Jincai (0702 6930 2088)]

[FBIS Translated Text] Beijing, 11 Nov (XINHUA)—On 10 November, the State Council called a national teleconference on strictly controlling the excessive rise in the consumption fund and enhancing the management of funds in circulation. Premier Li Peng called on localities and departments to further adopt specific and effective measures, to resolutely reverse the trend of excessive growth in consumption funds and the excessive speed in the circulation of funds, and to produce results in as short a time as possible, so as to ensure a healthy development of the national economy and the stability of market prices.

Li Peng presided over the meeting. Zhu Rongji and Zou Jiahua, State Council vice premiers, spoke at the meeting.

Consumption funds have been rising sharply and funds in circulation have increased markedly during the second half of this year. Some enterprises and governmental institutions were found to have violated the state's regulations on cash and salary management. They have withdrawn funds from banks using fabricated reasons, raised salaries indiscriminately, and issued bonuses and allowances randomly. In the mean time, social group purchasing power has also increased too quickly. There have been reported cases of a lack of strictness in enforcing the law on the collection and management of personal income tax, laxity in tax collection and management work, and losses of tax money. The situation will seriously disturb the financial order, affect the stability of the current market prices, and put great pressure on efforts to control inflation and on the credit plan for next year if effective measures are not adopted to curb it. On 9 November, in view of the situation, the State Council issued a "Circular on Strict Control of the Excessive Growth of the Consumption Funds and on Enhancing Fund Management" to various localities and departments. Yesterday's meeting was held to make detailed arrangements for implementation.

Luo Gan, state councillor and State Council secretary general, read the "circular" at the meeting.

The "circular" calls on localities and departments to strictly forbid the practice of recklessly issuing money and goods by enterprises and governmental institutions. They should also be forbidden to use up the money before the end of the year. It calls for using the extra amount of salary and prize money they have withdrawn from the bank to encourage fulfilling contracts in line with the state's relevant stipulations and for undergoing the process of examination and approval by taxation, auditing, and labor departments. No early issuance of wage, bonuses, allowances, and contract-fulfillment prize money is permitted before 1 January. Contract-fulfillment prize money shall not be issued to tax-owing units. Banks have the right to withhold payment to units that violate relevant stipulations. Local governments should mete out punishments to persons who have violated regulations.

The "circular" stresses that localities and departments must conscientiously implement the "Circular of the CPC Central Committee and the State Council on Strict Enforcement of Wage Reform Policy and on Resolute Control in the Increase of the Overall Capital," and strictly enforce the state approved wage system reform plan. The state does not recognize the portion of the increased capital that exceeds the limit imposed by the state. Financial departments shall not allot funds from the financial budget. Banks should supervise units on wage payments in line with the "handbook on wage fund management" and they reserve the right to refuse payments that are outside the plan.

The "circular" stipulates that enterprises and governmental institutions must seriously implement the State Council's "Provisional Regulations on Fund Management" and enhance fund management in a down-to-earth manner. Units may open a basic account at a bank and fund withdrawal may only be conducted from the basic account at that bank. It is forbidden to withdraw money from the bank for consumption purpose with fabricated reasons. Account transfer of the amount exceeding the starting point for settlement (10,000 yuan) must be conducted through a bank. In the case of making a large withdrawal for a business trip, one must go through the process of making a large withdrawal application and go through the examination and approval system. Units should conscientiously implement the stipulations announced by the People's Bank of China governing the management of account opening by enterprises and institutions.

The "circular" stipulates that units shall not be allowed to issue, buy, or use goods-purchase tickets as token money. Bonuses, allowances, and subsidies issued by enterprises and government organizations in cash, shares, stocks, or in kind must be included in gross wages. Payroll departments should deduct income taxes from individuals whose incomes reach the taxable level; and should pay individual income taxes on their behalf. Failure to do so shall be handled as tax evasion. Taxation departments at various levels should strengthen their



levying, management, and inspection of individual income taxes. Financial organizations should strengthen cash management and introduce a strict settlement system. Localities and departments should tighten control over social group consumption, and should strictly forbid the use of public funds for high individual consumption and the change of public funds to individual consumption funds. A ceiling must be put on expenditures of meetings.

The "circular" urges all provincial, autonomous regional, and municipal people's governments—in line with the requirements of the "State Council Circular on Launching Nationwide Inspection of Consumption Funds"—to organize the planning, and economic and trade commissions; labor, personnel, finance, taxation, auditing, and banking departments; and departments in charge of enterprises to inspect consumption funds and levying and collection of individual income taxes in enterprises and government institutions under their jurisdiction; and to promptly correct any problems found during the course of inspection. The banks should continue to be strict with their scale of credit, and should seriously implement plans on currency issuance and withdrawal from circulation. They should also work hard to improve services and increase deposits and loan repayments by making house calls and attracting deposits at farm and subsidiary product purchase points.

The State Council calls on all localities and departments to further unify thinking, enhance understanding, and reinforce discipline in jointly curbing the fast growth of consumption funds and strengthening cash management. The State Council clearly stipulates that a "governor's responsibility system" will be practiced in the work. Under the system, governors (autonomous regional chairmen and mayors) will be held directly responsible for implementing, supervising, and inspecting the implementation of the circular to ensure that all requirements and measures are carried out to the letter.

Li Peng spoke at the teleconference. He said: The economic situation in the country as a whole has been good since the beginning of this year. The various macroeconomic reform measures successively launched by the party Central Committee and the State Council have generally proceeded smoothly; the state's major commodities and foreign exchange reserves have seen a fairly large increase; and the main economic targets set in the plans can be fulfilled, enabling the national economy to maintain sustained, rapid, and healthy development. However, we must also soberly recognize the existence of some economic problems, which cannot be neglected; and the fast growth of consumption funds is one of the outstanding problems. Should we fail to promptly take measures to tackle the problem, it may affect the stability of market prices, disrupt normal economic order, and impede the sound economic development. All localities and departments should pay keen attention to this problem; and, in accordance with the guidelines of the ongoing teleconference, should further unify thinking,

enhance understanding, adopt more effective measures, and make a determined effort to curb the fast growth of consumption funds and of cash in circulation. They should work hard and achieve positive results in as short a time as possible. Meanwhile, they should take the initiative to show concern for enterprises in difficulty and their workers and to help college and secondary specialized school students solve practical problems in work and everyday life.

Chairman Chen Jinhua of the State Planning Commission and Vice Governor Zhou Zhengqing of the People's Bank of China also spoke at the teleconference. They pledged to earnestly implement the requirements of the State Council's circular, to strengthen and improve macroeconomic regulation and control over consumption funds, to effectively strengthen cash management, introduce a strict settlement system, and to resolutely curb inflation. They also put forth specific arrangements for comprehensive planning and banking departments at various levels to implement the "circular's" guidelines.

Leading comrades Chi Haotian, Song Jian, Li Guixian, and Ismail Amat; senior officials of the State Council's relevant departments, of the central departments and units concerned in Beijing; and responsible persons of Beijing Municipality attended the teleconference at the main site in Beijing. Responsible persons of all provincial, autonomous regional, and municipal governments, as well as governments of cities with economic autonomy, attended the teleconferences at the branch sites in various localities.

#### Economists View Achievements, Problems in 1994

HK2211125994 Beijing LIAOWANG in Chinese No 44,  
31 Oct 94 pp 9-11

[By staff reporter: "The Achievements Are Outstanding, As Are the Problems—Economists Analyze China's Economy in 1994"]

[FBIS Translated Text] China's economy experienced outstanding achievements, as well as outstanding problems, in 1994. This is the basic assessment offered by several Beijing economists in the "Analysis and Forecast of China's Economic Situation (1994 Fall Report)" (hereafter referred to as the "Fall Report").

The "Fall Report" was jointly produced by the "Economic Analysis and Forecast Project Group" drawn from the economics circles of the Chinese Academy of Social Sciences [CASS] and the "Macroeconomics Analysis and Forecast Project Group" of the Comprehensive Department of the State Statistics Bureau under the overall direction of Liu Guoguang, an adviser to CASS.

The "Fall Report" was presented at the "Symposium on the Analysis and Forecast of China's Economic Situation in 1994" in mid-October this year and received the basic endorsement of those economists attending.

### Why Was the Overall Economic Situation in 1994 Good?

The achievements in 1994 were outstanding. According to the "Fall Report" summary, this was expressed primarily in two aspects. One was that the important reforms released at the beginning of the year achieved relatively good practical results. The second was that macroeconomic regulation and control continued to achieve success, and economic growth maintained a fairly high rate in the presence of a steady downturn. Most of the national economy's indices are approaching the targets set by macroeconomic regulation and control.

It is predicted that GDP growth in 1994 will reach 11.5 percent. This is the third year in a row that China's economy has had a double-digit growth rate. The economists present at the symposium were of the general opinion that this extraordinary momentum of economic growth will further strengthen China's position on the world economic stage.

The "Fall Report's" positive assessment of China's 1994 economic situation is based on the following grounds. Since the beginning of the year, the central government has successively released a series of important reform measures concerning taxation, banking, the economy, and foreign trade, as well as investment and prices. The initial results achieved by these reform measures have been quite good. Moreover, their future effect on the construction of China's socialist market economy is certain to be increasingly profound.

One or two years have already passed, but when most Beijing economists talked about the 14th National CPC Congress and the Third Plenary Session of the 14th CPC Central Committee they still give these two meetings the highest evaluation. They are of the general opinion that the important decisions taken by these two meetings fundamentally assured the release of this year's series of important reform measures. They also highly approved the macroregulation and control implemented by the central government in June 1993.

The "Fall Report" also says that following the enforcement of the 16-point macroeconomic regulation and control program, the phenomenon of "four highs and two disorders" (the "four highs" refers to high investment, high currency issuance, high rate of price rises, and high imports, while the "two disorders" refers to disorder in banking and disorder in the production means market) that appeared in tandem with rapid economic growth was controlled quite satisfactorily. The implementation in 1993 of the 16 points provided the necessary conditions for the release of a series of reform measures in 1994.

In enumerating the important achievements of this year's reforms, economists at the Institute of Quantitative and Technical Economics under CASS and at the General Statistical Department of National Economy under the State Statistics Bureau say that although

short-term negative effects were inevitably produced following the implementation of China's foreign exchange, foreign trade, property tax, and banking reform measures, these have been fewer than forecast by economic experts. This is reflected in the following areas:

- Following the unification of the exchange rate, the price of the renminbi against the U.S. dollar and other foreign currencies has been basically stable; the price of the renminbi did not plummet but has climbed steadily.
- The foreign trade deficit gradually decreased and national foreign exchange reserves have increased substantially.
- Reform of the property taxation system has been quite smooth; all domestic revenue and commercial tax revenue received in the first half of the year showed a marked increase in comparison with last year.
- Banking continues to maintain smooth progress. Thanks to the relatively effective control measures instituted by the central government concerning the increase in currency circulation, the currency requirements of a rapidly growing economy have been guaranteed, as has the "cooling off" of currency issuance required by the adjustment of the economic structure.

Economists say that the balance between banking, foreign exchange, property taxation, and supply and their trend towards positive change indicates that under the premise of maintaining a fairly rapid rate of growth, China's entire macroeconomic environment is showing marked improvement.

The second point the economists emphasized when discussing and demonstrating the positive aspects of the economy this year is: "They are especially pleased about the fact that the process of macroeconomic regulation and control has not given rise to major fluctuations in the economy." To put it in everyday language, China's economy in the last few years has not experienced the convulsions of the past. The overheated economy has now achieved a certain drop in temperature—not only has the economy maintained a relatively rapid rate of growth in the presence of a sustained downturn, but the four important balances of banking, foreign exchange, taxation, and the supply of goods are all showing positive trends.

The economists who drafted the report also say that there are three major reasons why the "regulation and control" of the present measures have been more successful than in the past. The first is that better advantage has been taken of opportunities than in 1988. The second is that the methods and means have improved, with importance being attached to the integrated application of various methods, including economic, legal, and political methods. Also, the strategic point of banking regulation and control has been grasped. A "breakthrough" in banking regulation has been grasped.

The third reason is more important: Not only has pressure from state-owned enterprises demanding the loosening of regulation and controls because of financial difficulties been resisted, so have demands to increase the severity of the regulation and control measures in order to check short-term "overheating."

In other words, most Beijing economists consider that the "force" of the regulatory and control measures adopted by the central government in the last year or so has been just right. The avoidance of not only economic overheating but also economic overcooling indicates that the central government is currently gaining experience and learning from the lessons of past macroeconomic regulation and control. It shows that the possibility of a successful "soft landing" (as opposed to a "hard landing," with "hard" referring to an economic boom followed by a slump) for the Chinese economy is becoming greater and greater.

#### **What Are Major Problems Currently Facing China's Economy?**

The drafters of the "Fall Report" did not evade the problems encountered by China's economy during 1994. According to the report, these problems primarily concern inflation, the scale of investment, state-owned enterprises, agriculture, and imbalances in local development.

Although there are different understandings and analytical viewpoints concerning the five above-mentioned problems, most economists in Beijing and most realistic international evaluations consider that during the process of economic reform, opening to the world, and economic development, it is of utmost importance to China that they be resolved. However, there are some problems that cannot be fundamentally resolved in the short term.

The drafters of the "Fall Report"—the famous economists Liu Guoguang and Li Jingwen as well as young and middle-aged economists Qiu Xiaohua, Liu Shucheng, Wang Tongshan, and others—generally consider that presently the most pressing problem is inflation, and, moreover, inflation is intimately related to the other four problems. The four problems within the scope of inflation, state-owned enterprises, agriculture, and imbalanced local development are concentrated and reflected in the problem of inflation. In other words, the underlying structural reasons for inflation which have baffled us ever since the beginning of reform and opening are none other than the four above-mentioned problems.

The economists say that not only have these four underlying structural problems in China's economic life caused severe inflation to recur in China's economy in 1994, but also, if they cannot be resolved, it will not be possible to effectively curb inflation or to successfully construct China's new socialist market economy system.

According to the experts, since the institution of reform and opening, there have been three years during which

the rate of inflation was relatively high and posed a severe threat to the sustained, rapid, and healthy development of China's economy.

The economic community has made different analyses of China's inflation and has offered various suggestions on curbing it, while economic administration bureaus have adopted even more numerous concrete restraining measures. So why does the "nasty" inflation keep coming back?

According to the economists attending the fall symposium on China's economic situation, the primary reasons can be found in our past analysis and methods of dealing with inflation, which to a great extent stopped at the level of treating the symptom and never reached the root of the problem. The "Fall Report" says that during the process of transforming its economy a nation must certainly analyze both the "symptoms" and the "root" causes of the problem of inflation, and both must be dealt with. However, with the deepening of reform, we must further analyze the fundamental reasons for the occurrence of inflation and should strengthen measures to deal with the root of the problem. Only in this way can the sustained, rapid, and healthy development of the economy be assured.

#### **What Are Underlying Problems in Economic Life?**

The "Fall Report" analyzes in great detail the four underlying structural reasons for China's continually rising inflation at present.

##### **1. Problems in agriculture.**

Experts say that there are similarities between this year's inflation and that of 1988. In 1988, food prices accounted for an average of 50 percent of retail price rises that year. In 1994, grain, farm, and sideline products also accounted for a large percentage of the total inflation. This, of course, directly influences people's lives.

Analysis reveals three reasons for rising grain and secondary agricultural product prices this year. First, upward adjustments in the price of grain spurred rises in the price of all food products; second, damage caused by drought and flooding was relatively great this year, directly influencing the effective supply of farm and sideline products, especially vegetables; third, there is no standard distribution order, and the important function of state commercial channels was not fully brought into play.

However, the most basic reason is found in the problems inherent in Chinese agriculture.

First, there is a great disparity between China's per-capita agricultural resources and world levels. The comparative lack of resources determines that grain prices and farm and sideline product prices must necessarily rise.



Second, China is currently in the process of transformation from an agricultural into an industrial country. Because of excessively low prices of agricultural products due to historical reasons, it is inevitable that reform must be accomplished through raising prices.

Third, the rate of advance of China's agricultural technology is relatively low. Due to China's economic constraints, advances in agricultural technology have been insufficient to compensate for the effect of a progressive decline in profits, which has also lead to prices rises.

Fourth, Chinese agriculture is still essentially in a state of scattered operations. The scale of agricultural production cannot meet the requirements of markedly lower costs.

Fifth, the problem of relatively low agricultural efficiency has remained unresolved for a long time. This fifth point is also the most important problem in Chinese agriculture.

The Chinese Government has repeatedly adjusted prices of farm and sideline products upwards in the hope of solving the problem of relatively low agricultural efficiency. However, each time, the benefits gained by the "price adjustment" have been rapidly canceled by continuous rises in the price of industrial products, particularly the means of agricultural production. Furthermore, there is a tendency for the "return of price parity" (the new price ratio approaching the old price ratio) period to become shorter and shorter. For instance, in 1993 the purchase price of agricultural products was adjusted up by 13.4 percent, but the price of the means of agricultural production rose by 14.1 percent; therefore, the "return of price parity" period was zero.

## 2. Problems in the scale of investment.

Inflated growth in the scale of investment is a problem that already existed in the traditional planned economy. Since the adoption of reform and opening, its influence has become increasingly marked.

Analysis reveals that each time our rate of investment exceeds 30 percent, the problem of high inflation inevitably arises over the next year or two. From 1986 to 1988, the rate of investment exceeded 30 percent in three successive years, giving rise to the high inflation of 1988-1989. The high inflation of 1993-1994 also corresponds to a changing rate of investment, which has exceeded 30 percent since 1992.

The source of the inflated growth of investment can be found in the lagging reform of the investment system.

## 3. Problems in state-owned enterprises.

The influence on inflation of the problems which exist in state-owned enterprises is manifested in three areas:

First, up to the present, reform has still not increased the "degree of restraint" exercised by enterprises regarding

their budgets. State-owned enterprises are still responsible only for their profits and not for their losses. They are not required to repay loans and losses do not bankrupt them. Therefore, investment policymaking frequently overlooks or greatly underestimates the risk factors. The interest-rate lever has practically no elasticity as far as they are concerned.

Second, managerial problems exist in a certain portion of state-owned enterprises. Labor productivity rates are relatively low, and they have a hard time absorbing price rises of "upstream products." All they can do is shift the pressure by raising prices. In addition, certain monopoly-type state-owned enterprises have a tendency to wantonly raise prices, which also influences inflation.

Third, the national finances are required to take on the burden of a large part of the open and hidden losses of state-owned enterprises. This is a major cause of inflation.

## 4) The problem of uneven regional development.

The experts first pointed out that differences in local economic development are not only necessary, but are also one of the great motivating forces of economic development. However, when conflicts arise between the speed of development and rising prices, no locality will willingly sacrifice its own speed in order to suppress national price rises. Therefore, the "spread" of high prices in relatively rapidly developing coastal areas is faster by far than the dissemination of capital, technology, and talent to the interior. It should be realized that inequality among localities not only transmits rapid economic development to every comparatively backward locality, but, on the contrary, transmits inflationary pressures to the entire country.

The experts particularly emphasized that although this year's foreign exchange and foreign trade, banking, and public finance tax revenue reforms have already forged outstanding achievements which have been widely acknowledged—strengthening our implementation of macroeconomic regulation and control and our ability to curb inflation—in the final analysis, the above reforms are still outside the sphere of production and cannot resolve the underlying structural causes of inflation arising from within the sphere of material production. This is also why many of the measures we have currently adopted to suppress prices have produced relatively ideal ameliorating effects, but have all along had difficulty in dealing radically with the major causes of inflation.

## Experts Emphasize That We Must Take Dialectical View of Inflation

At the same time as frankly discussing problems and conflicts, the economic experts also analyzed the differences between this year's inflation and that of 1988-1989:

First, during the last round of inflation, the prices of all types of food products rose concurrently, which had an overall impact on society. This round differs, because in 1993 prices of the means of production rose relatively sharply, while in 1994, primarily, there was an across-the-board increase in the price of food products. This sequential difference allowed the impact of this round of price increases to be contained within certain limits.

Secondly, the contributing factors to the two instances of rising prices were not the same. In the first instance, investment and consumption inflation was coupled with severe deficiencies in supply, and this resulted in panic buying. This time there was the influence of fluctuations in the price of grain as well as dealing with the effects of price reform.

Additionally, people's psychological expectations have increased.

The final point is the most important, that is, that the central government has grasped the dynamics of regulation and control relatively well.

According to the experts, the form and reasons for this year's inflation are very complex. In order to bring inflation under control, it will be necessary to, first, continue to implement macroregulation and control; second, continue to correctly grasp the dynamics of regulation and control; and third, deepen, accelerate, and systemize reform. As far as China's economic life is concerned, the most important problem is that in bringing about sustained economic growth, we should reduce and lessen periodic fluctuations in economic development and at the same time avoid drastic rises and falls.

The experts emphasized that the lesson to be drawn from this is that under present conditions it is necessary to engage in the concrete analysis of the inflation that occurred this year using the method of "seeking truth from facts." Specifically:

- Clearly differentiate the rational and irrational components of price increases;
- Analyze the lagging influence of successive years of high growth and high investment on price increases, as well as the influence of non-growth factors on price increases;
- Analyze the limits of people's endurance and lack of endurance;
- Analyze the superficial and underlying reasons for the creation of inflation.

The experts in attendance at this fall's symposium on analyzing and forecasting the economic situation say that all in all bringing inflation under control requires the adoption of methods that work on two fronts: treating both the symptoms and the roots of the problem.

The experts expressed their complete approval of the decision by the central government to accelerate the transformation of state-owned enterprises and to attach more importance to agricultural policymaking next year.

### **Economist Wu Jinglian Urges Breakthrough in Reform**

*HK2211130594 Hong Kong MING PAO in Chinese 7 Nov 94 p B2*

[Report: "Economist Wu Jinglian Says Central Bank Lacks Independence, No Breakthrough Yet Made in Financial Reform"]

[FBIS Translated Text] Chinese economist Wu Jinglian pointed out that the reform aimed at establishing a new financial system in China, has yet to experience a major breakthrough. This is because the independence of the People's Bank of China is not guaranteed, while specialized banks must make loans according to administrative orders.

Wu Jinglian pointed out: Since carrying out the financial reform, the central bank has already brought back to the People's Bank of China headquarters the power to release and absorb basic currency as well as the power to adjust the loan scale; it has abolished the system whereby branches of the People's Bank of China below the provincial level can retain a certain amount of money for use; and it has cut the link between the state's deficit and the central bank's basic currency, so that state coffers can no longer overdraw or borrow from the central bank and, if the state expenditure is larger than income, it must solve the problem by issuing state bonds.

However, Wu Jinglian pointed out that China's financial reform has not yet made a major breakthrough, the organization of the People's Bank of China has not yet been adjusted and the bank's independence is not guaranteed, and the use of the direct regulatory and control means such as loan limits, as well as the indirect regulatory and control means such as open market operation and discounted bills, has yet to be explored.

Wu thinks that the main reason why the financial reform has failed to score the expected result is because of the slow progress of commercialization and the enterprise-like operations of the state-owned specialized banks.

Recently, Wu Jinglian pointed out that the financial reform cannot wait until after the reform of state-owned enterprises is completed; he thinks that it is not right to use the slow progress of reform of state-owned enterprises as an excuse to hinder the pace of the financial reform.

Since early this year, China's state-owned specialized banks have done some work in strengthening unified management within the system, strengthening internal management mechanisms and promoting assets and liability ratio management. However, during the first half of the year, the specialized banks could not but

control loan items according to administrative orders and using administrative means, whereas the corrupt practices among bank staff could hardly be held in check.

#### **Wu on Transforming State Enterprises**

HK2211132594 Beijing ZHONGGUO ZHENGQUAN  
BAO in Chinese 26 Oct 94 p 5

[Report excerpted from GAIGE SHIBAO (Reform Times): "Wu Jinglian Speaks About Ways To Reform State-Owned Enterprises"]

[FBIS Translated Text] Wu Jinglian, noted economist and research fellow of the State Council's Development Research Center, pointed out that reform in 1995 should be focused on state enterprises. The reform of large and medium size state enterprises in particular is a basic work for the establishment of a socialist market economy. Meanwhile, special attention should be given, as the work involves reform of various fields. There are two ways to change the former large and medium size state enterprises into modern companies—drawing capital at home and abroad by selling some of the share rights or enlarging the shares, which can be used to transform the enterprise—and maintaining the existing ownership and transforming the state-owned enterprise into a corporation.

In order to turn the state enterprises into companies, above all, the enterprises should, in light of China's reality, fully take into account the advantages and disadvantages of the various types of company system in the countries where a market economy is practiced and select a model for their own capital setup and company administration structure. Then they should study the specific matters in the transition to the company system, such as evaluating the existing assets, making arrangements for redundant staff, handling excessive debts, separating institutions which are not related to the enterprise, and seeking methods which have more advantages and fewer disadvantages. After working out a reform scheme, the units to undergo experiments should be carefully selected to try out the system by stages and in groups.

#### **Figures Show Continued Economic Momentum in Oct**

OW2311120294 Beijing XINHUA Domestic Service in Chinese 1120 GMT 17 Nov 94

[By reporter Zhang Jinsheng (1728 6930 0524)]

[FBIS Translated Text] Beijing, 17 Nov (XINHUA)—The monthly report on the economic situation released by the State Statistical Bureau [SSB] today indicated that China's national economy continued to operate with a good momentum in October: Industrial production grew rapidly; fixed-asset investment remained under control; the domestic market was stable amidst brisk businesses; and foreign trade continued to show a pattern of exports exceeding imports.

According to the statistics, industrial production nationwide witnessed three heartening changes in October: 1. State-owned industry reversed its long-term low growth rate and increased production at a conspicuously fast pace. 2. As a result of adaptive adjustment, production in heavy industry picked up a little. 3. Enterprises gradually improved economic efficiency. While industry grew rapidly, fixed-asset investment remained under control. In the first 10 months, the state-owned sector invested a total of 674.9 billion yuan in fixed assets, an increase of 40.4 percent, or a decrease of 3.5 percentage points from the first nine months. The number of newly-started projects this year was 3,865 fewer than over the same period last year. Investment in basic industries and infrastructure increased.

The domestic market was stable amid brisk businesses. The total volume of consumer good retail sales grew 9.7 percent compared with the same period last year, reaching the highest monthly increase since the beginning of the year. Foreign trade continued to show a pattern of exports exceeding imports. The total volume of exports increased 29.6 percent over the same period last year, while imports increased 8.7 percent. A balance of exports and imports resulted in an \$1 billion trade surplus. State financial revenues grew at a relatively fast pace. Domestic financial revenues increased 15.2 percent over October last year.

The SSB report pointed out: Although commodity prices continued to rise in October, the trend had weakened somewhat. The consumer price [xiao fei jia ge 3194 6316 0116 2706] for residents nationwide was 1.7 percent more than that in September. Cities, in particular, achieved fairly clear results in controlling commodity prices. The month-to-month ratio [yue huan bi 2588 3883 3024] of October consumer prices in 35 large and medium cities increased by 1 percent, a fairly large drop from the month-to-month ratio increases in August and September.

#### **Prices of Production Materials, Equipment Stable**

OW2311091894 Beijing XINHUA in English 0830 GMT 23 Nov 94

[FBIS Transcribed Text] Beijing, November 23 (XINHUA)—Overall prices for materials and equipment used in production in the first three quarters of this year declined steadily to a level three percent lower than in the same 1993 period and the trend is continuing according to latest statistics.

Government sources said that supply and demand for such materials and equipment during the period largely broke even and the market was generally stable.

Despite a rise to some extent in the first three months, prices in April were almost the same as those a year ago. They went on to drop in May, with the rate reaching seven percent in September.



In that same month, sales of once spectacular materials like pig iron, rolled steel, aluminium, cement, crude oil and diesel oil dropped considerably, making overall prices stable on the materials and equipment market.

Analyses show that metals, building materials, machinery, and electrical appliances, where prices saw the largest drop, were among the most important price stabilizers.

Prices for coal and timber were relatively stable while the prices for rolled steel, cement and automobiles were on a steady decline, with the September rolled steel price dropping to 16.3 percent lower than in the same month of last year, or 9.2 percent lower than at the beginning of this year.

In September, cars sold at prices averaging 9.3 percent less than a year ago and 4.1 percent less than at the beginning of this year.

Government sources said that the stock of materials and equipment used for production kept growing in the first nine months, due to a sustained decline in sales and purchases.

In the first three quarters, total purchases and sales of production materials and equipment by enterprises nationwide at or above the county level were, down respectively, 16 percent and 20.3 percent from the same period last year.

By the end of September, the stock of production materials and equipment was 4.8 percent more than a year ago, statistics show.

Analysts predict that the overall prices for materials and equipment used for production in the fourth quarter will tend to decline in a climate of stable prices.

#### **New Provisions on Export License Management**

HK2311023494 Hong Kong CHING CHI TAO PAO in Chinese 44, 7 Nov 94 p 32

["China Economic News" column: "New Provisions For Export License Management"]

[FBIS Translated Text] Recently, the state departments concerned made new provisions concerning export licenses. Their main contents are as follows:

**Issuing organs:** They must be the Quota License Affairs Bureau of the Ministry of Foreign Trade and Economic Cooperation [MOFTEC] and the MOFTEC offices stationed in the economic and financial commissions (departments, and bureaus) and foreign trade bureaus of provinces, autonomous regions, municipalities directly under the Central Government, and cities enjoying provincial status within the state plan.

The principle of signing and issuing licenses by departments at different levels is to be practiced. When exporting the commodities whose licenses should be issued by the issuing organs of main producing areas, all

enterprises should go to the designated issuing organs of the main producing areas to apply for export licenses. When exporting the portions of such commodities under their disposal, the foreign trade (industry and trade) companies under various central departments practicing planning management under the one-track system and the foreign trade (industry and trade) national companies under various central departments practicing planned management under the double-track system should apply for export licenses with the Quota License Affairs Bureau of MOFTEC by producing their quotas. When exporting the commodities whose licenses should be issued by designated issuing organs of main producing areas, they should go, without exception, to the designated issuing organs and main producing areas for their export licenses.

The period of validity of export licenses: A "one approval, one license" system is introduced in general to the commodities under license management. The period of validity of a license is not more than six months beginning the date of issue, and it can be used for customs declaration purposes only during that period. After being signed by the customs authorities, the unit holding the license should return it to the original issuing organ for cancellation after verification. The period of validity of the export license for the commodities not subject to the "one approval, one license" system should not exceed six months, and it can be used for customs declaration purposes for no more than 12 times, after which it cannot be automatically exchanged for a new one. Every time it is used the customs authorities will sign and put the export shipping number on it. After the license is fully used, the unit holding it should return it to the original issuing organ for cancellation after verification. In general export licenses can only be used during the year in which they are issued.

No enterprises shall export any commodities that are prohibited from being exported.

#### **Aviation Industry Opens to Foreign Investors**

HK2211131194 Hong Kong LIEN HO PAO in Chinese 7 Nov 94 p 7

[By reporter Yang Ching-chi (2799 3237 1142) in Beijing: "China Opens Civil Aviation Industry to the Outside World But Foreign Capital Cannot Hold Controlling Interest"]

[FBIS Translated Text] China Southern Airline and China Eastern Airline have been approved for listing on the U.S. and Hong Kong stock markets. These are new channels for opening the mainland's aviation industry to foreign investors. However, the proportion of foreign capital and their management power will be under very strict control in the new policy.

An official from the Civil Aviation Administration of China [CAAC] disclosed that the average annual growth rate of the mainland's aviation industry in the 1990's has

been 15 percent, higher than the average economic growth rate of 8 to 9 percent. Up to the end of last July, 403 airplanes were in service and another 48 planes with a capital outlay of \$2.2 billion will be put into use by the end of this year.

The following are the four main points in the recently promulgated policy on foreign investment in China's aviation industry:

1. Foreign investors may participate in the construction of airports by way of setting up joint ventures but the shares held by the Chinese side should not be less than 51 percent. Moreover, the posts of chairman and general manager should be taken by the Chinese side. Foreign investors will be permitted to develop businesses relating to the airport services, including airport lounges, warehouses, ground facilities, aircraft maintenance, food supplies, hotels, fuel supplies, and so on.
2. Foreign investors, foreign airline companies in particular, may cooperate with China in setting up jointly-owned or cooperative air-cargo transport enterprises. The shares they hold cannot exceed 35 percent, nor can their voting power on the boards of directors exceed a quarter.
3. Foreign investors may set up jointly-owned or cooperative civil aviation enterprises with the Chinese side but they are limited to rural and mountainous areas only. The number of shares they hold will be subject to the agreement between the two parties.
4. Under all circumstances, foreign investors should abide by the stipulations set by the CAAC and the investment scale should be determined according to the stipulations of the State Planning Commission.

#### **Foreign Investment Encouraged in Low-Cost Housing**

HK2311050094 Hong Kong CHING CHI TAO PAO in Chinese 7 Nov 94 p 32

[From "China Economic News" column: "Foreign Businessmen Encouraged To Take Part in Low-Cost Housing Projects"]

[FBIS Translated Text] An official from the Ministry of Construction in charge of real estate disclosed that the State Council will start a low-cost housing project in the coming year.

The scheme, named "Comfortable Housing Project," will enable inhabitants of most cities nationwide to purchase houses at the price of 1,000 yuan per square meter, 3,000 yuan below the current market price. To reduce the production costs, real estate developers participating in the project may requisition land gratuitously, be exempted from taxes, and enjoy other preferential terms. Meanwhile, the Ministry of Construction will offer preferences to encourage foreign investors to participate in the project. When the project is completed

in 1997, it will provide the inhabitants with 150 million square meters of floor space.

#### **Trade Unions Established in Foreign-Funded Firms**

OW2211151094 Beijing XINHUA in English 1013 GMT 22 Nov 94

["Roundup" by Rong Ancai and Wang Yongkang]

[FBIS Transcribed Text] Beijing, November 22 (XINHUA)—More and more trade union organizations are being set up in foreign-funded companies throughout China.

An official of the All-China Federation of Trade Unions said that by the end of June, trade unions had been set up in more than 17,400 foreign-funded firms in the cities of Beijing, Tianjin and Shanghai, and in Guangdong, Zhejiang, Fujian and Shandong Provinces, accounting for 33 percent of foreign-funded firms in coastal areas where such firms tend to be concentrated.

Trade union organizations have been set up in at least 60 percent of such firms in Jiangsu, Hainan and Hubei Provinces.

Such organizations have also been set up in 20,000 foreign-funded township-run enterprises, the official said, adding that township-run enterprises account for 60 percent of the foreign-funded firms throughout the country.

Moreover, in 14 provinces and cities, authorities at the province level, have promulgated regulations and rules governing trade unions in foreign-funded firms.

Foreign-funded firms have mushroomed in China since it initiated the policy of opening to the outside world in 1979.

Statistics from the Ministry of Foreign Trade and Economic Cooperation show that 90,000 such firms existed by the end of October 1994, involving 81.3 billion U.S. dollars in overseas investment, and employing 12 million people.

On the other hand, labor-management problems have also cropped up, including lack of labor contracts with workers, firing workers without a valid reason, neglecting safety measures, forcing workers to work overtime, not permitting holiday breaks, and withholding or reducing wages without a reason. Such problems have resulted in friction between management and labor.

Preliminary statistics from the Ministry of Labor show that 47,000 workers in foreign-funded firms in 15 province-level areas staged 180 strikes in the first half of 1993, with the longest strike lasting 40 days. Bad conditions in some foreign-funded firms have even threatened workers' lives.

On November 19, a fire broke out in a Hong Kong-funded toy factory in Shenzhen, Guangdong Province, killing 84 workers. Twenty-five days later, 60 workers died in another fire that broke out in a Taiwan-funded company in Fuzhou, the capital of Fujian Province.

The entire Chinese nation was shocked over these two tragedies. Chinese President Jiang Zemin and Premier Li Peng called for effective measures to be taken improving trade unions' work in foreign-funded companies.

Jiang warned that the primitive accumulation of capital in the practice of capitalism must not be repeated in China.

In March 1994, Premier Li asked governments at various levels to place the protection of legitimate rights and interests of workers in foreign-funded companies on their agendas.

In July, the Standing Committee of the National People's Congress adopted a law, the seventh article of which states that workers have the right to organize and to join trade unions.

On October 20, Yang Xingfu, vice-chairman of the All-China Federation of Trade Unions, proposed that trade union organizations be set up in foreign-funded firms that had opened in coastal areas before the end of June.

Such organizations, he said, should be set up in at least 60 percent of foreign-funded companies in other areas.

In a joint circular issued on October 22, the All-China Federation of Trade Unions, the Ministry of Foreign Trade and Economic Cooperation, the Ministry of Labor, as well as three other central departments called for faster establishment of trade unions in foreign-funded firms.

In early September, groups headed by nine senior officials of the All-China Federation of Trade Unions went to various parts of China to make sure that trade union organizations are being set up promptly in foreign-funded companies.

An official of the federation said that the biggest obstacle in setting up such organizations is that some local leaders take the protection of workers' rights and interests as being in conflict with the protection of foreign investors' interests. "Some local leaders even take not establishing trade unions as a precondition of attracting overseas investors," he added.

China's trade union law stipulates that workers have the right to join trade union organizations, he said, noting: "It is an internationally acknowledged practice that foreign investors honour local laws."

In protecting workers' rights and interests, trade union organizations in China try to forge good management-labor relations, and not come into conflict with foreign investors, he noted.

Recreation and sports activities and workers' competitions organized by trade unions will make an enterprise more attractive, thus promoting its growth, while "on the other hand, a company with tense management-labor relations cannot achieve sustained prosperity," he said.

In fact, wise foreign investors, especially among well-known companies from Europe and the United States, have a good understanding of this, he added.

For instance, Frank Krebs, general manager of the Beijing Jeep Company, a Sino-U.S. joint venture, has established "employees first" guidelines for the company to follow.

Russ Mabrey, an executive of the venture, said that he appreciates proposals made by workers under the auspices of trade unions for improving efficiency. He calls the organization a "brain trust" for the venture.

The official said that some workers in foreign-funded companies do not know how to protect their own rights and interests through trade union organizations.

Many workers in foreign-funded enterprises in rural areas think that they cannot join trade union organizations because they are rural residents, the official said.

Some overseas investors take this as an excuse to forbid workers setting up trade union organizations, he added.

The official described the establishment of trade unions in foreign-funded firms as a "an arduous long-term task," particularly in smaller and township-run enterprises.

#### Official on Future Growth of Building Industry

OW2211165194 Beijing XINHUA in English 1506  
GMT 22 Nov 94

[FBIS Transcribed Text] Hong Kong, November 22 (XINHUA)—China's building industry will witness a double-digit growth in the next seven years, said a Chinese official here today.

At a seminar held this afternoon, Zhang Guoyin, an official from China's Ministry of Construction, said that the annual growth rate of the output value of China's building industry will reach about 12 percent between 1994 and 2000.

The rapid development of China's building industry will provide pretty good chances for property developers both at home and abroad, said Zhang, division chief of the General Office under the Chinese Construction Ministry.

According to Zhang, between 1994 and 2000, more than 200 million square meters of residences will be constructed each year in cities and towns throughout the country.



In addition, over 120 million square meters of buildings for public and production uses in urban areas will also be constructed each year during the period.

The total construction area of the buildings for civil and industrial purposes in the country in the next seven years will reach over 1.2 billion square meters per year, said Zhang, adding that this indicates a bright future for China's building industry.

#### **'Large-Scale Renovation' of Auto Industry Planned**

OW2211173594 Beijing XINHUA in English 1256  
GMT 22 Nov 94

[FBIS Transcribed Text] Shanghai, November 22 (XINHUA)—This, China's biggest industrial and commercial center is to channel over 30 billion yuan into large-scale renovation of its automobile industry in the 1996-2000 period, according to sources at an ongoing automobile technology fair.

The city plans to achieve a production capacity of 500,000 automobiles a year by the turn of the century, with an annual output value of 100 billion yuan and annual profits of ten billion yuan, both figures quadrupling those of last year.

The sources said that in the next few years, Shanghai will develop several new products.

In addition to the 80-percent-localized "Santana", the Shanghai Volkswagen Company is to put the new "Volkswagen 2000" model on the market next year.

They said the company also plans to produce the new model "B5 Santana", as well as cars priced at less than 100,000 yuan and affordable by Chinese families.

The sources said that the city intends to seek both domestic and foreign co-operation for 81 technical projects at the fair.

#### **National Fair Closes With 'Record High' Trade Volume**

OW2211171094 Beijing XINHUA in English 1619  
GMT 22 Nov 94

[FBIS Transcribed Text] Shanghai, November 22 (XINHUA)—A major national annual trade fair in this east China metropolis closed today with a record high trading volume of 7.458 billion yuan-worth.

The sum is more than the combined volume of the previous two fairs.

The 11-day fair attracted more than 10,000 firms nationwide, including many foreign-funded enterprises.

The Jiangsu Province delegation reported the largest trading volume of 759 million yuan-worth, and the Tianjin municipal delegation reported the second-largest—350 million yuan-worth.

Foreign-funded ventures and overseas firms also scored highly. The foreign-funded firms alone reaped a total of 1.01 billion yuan-worth of trade.

The fair showed that such commodities as bicycles, color TV sets, refrigerators and other large household electrical appliances are over-supplied. But sales of small electrical appliances remain brisk.

#### **Beijing Hosts International Leather Exhibition**

OW2311094194 Beijing XINHUA in English 0920  
GMT 23 Nov 94

[FBIS Transcribed Text] Beijing, November 23 (XINHUA)—The '94 international exhibition of shoes, suitcases and bags, and other leather products opened here today.

More than 40 manufacturers from Italy, the Republic of Korea, Taiwan and Hong Kong took part in the four-day exhibition, which covers a floor space of 1,000 sq meters.

An official from the China Council for the Promotion of International Trade—sponsor of the exhibition—said that exhibits on display represent the latest technologies and trend of development in leather production in the world.

He said that the exhibition will help develop international leather production technology exchange and promote China's leather products to world market.

Leather products are among the biggest foreign exchange-earners in China's light industry. In 1993, the leather production sector earned 5.8 billion U.S. dollars from export, up by 23.4 percent over the same period of 1992.

#### **Chen Junsheng Stresses Winter Farm Work**

OW2211165094 Beijing XINHUA in English 1532  
GMT 22 Nov 94

[FBIS Transcribed Text] Beijing, November 22 (XINHUA)—Chinese State Councilor Chen Junsheng today called for close attention to winter agricultural work in order to secure a better harvest in the coming year.

Chen made the remark at a national teleconference on winter agricultural production by the Ministry of Agriculture, saying that despite a second biggest grain harvest, the grain output of the country this year was lower than last year.

He said this has had a bad effect on the balance of China's grain supply and demand this year and next year, and caused some fluctuations in current prices.

As a result, the official said, it is necessary to redouble efforts to step up agricultural production to curb inflation and stabilize the market.

Currently, close attention should be paid to winter farm work including winter planting and maintenance of farm tools, Chen said.

He urged governments at all levels to put winter agricultural work on the top of their agendas and work out a concrete implementation plan for it.

The ministry has decided to expand the winter planting area by 1.3 million ha [hectares] this winter nationwide, according to the meeting.

### **Newspaper Predicts Herb Market To Recover in 1995**

*OW2311091994 Beijing XINHUA in English 0813 GMT 23 Nov 94*

[FBIS Transcribed Text] Beijing, November 23 (XINHUA)—The market for traditional Chinese herbs, which has been sluggish for the past few years, is expected to bounce back next year, "ECONOMIC INFORMATION DAILY" said here today.

Prices have stabilized and have begun to climb, especially for wild herbs in short supply, economists said.

The Chinese herb market reached a peak in 1992 and then dropped radically in 1993. Many wild herbs disappeared from shelves because of low prices.

At most herb fairs, herbs are traded by barter, resulting in an unbalanced market structure and a considerable waste of resources. State-run departments also lack enough funds to purchase all the herbs they need.

Economists have attributed the sluggish behavior of the herb market to the aforementioned conditions.

Sources disclosed the news that authorities will unleash controls on funds in the herb trade which will help reinvigorate the market next year.

### **Farmers Seek Fortunes in Guangdong Province**

*HK2311035094 Hong Kong AFP in English 0312 GMT 23 Nov 94*

[By Peter Lim]

[FBIS Transcribed Text] Shenzhen, China, Nov 23 (AFP)—Farmer Wan Ximen abandoned his land in China's Hunan Province almost a year ago to work as a coolie in the railway station of this free-wheeling special economic zone. Wan, 32, left his farmland idle after he—like many of the 800 million rural Chinese—found himself unable to cope with hefty local taxes and soaring fertilizer prices, aggravated by poor crop prices. "It's better in the city—a heaven and earth apart," said Wan, who can earn about 300 yuan (35 dollars) a month—four times more than what he used to get from cultivating crops in the country. Wan is just one of thousands of farmers in China who have given up working their land in favour of more profitable activities. Here, in prosperous Guangdong, agriculture is on the decline—but for wholly different reasons.

Wan's income is just the price of lunch for two for Mai Guo-feng, a former farmer-turned-private-entrepreneur from Baoan near here. In Baoan, rice paddies and wetlands have been replaced by residential buildings intended for sale to buyers from across the border in Hong Kong. Mai, 41, says he has become a millionaire by Chinese standards by turning his family's government-allocated farmland into a lucrative roadside inn and restaurant.

"Why should one grow food (when) with money you can buy everything," said the former peasant, reflecting a sentiment common among some officials in Guangdong province that land could be turned to better use than raising crops. "We're not now in a wartime period, there is no need to store grain," Mai added.

But that view is not shared by the central government in Beijing which—to prevent any rural unrest—has issued decrees protecting the likes of Wan, while making sure businessmen like Mai do not breach laws safeguarding farmland. To appease growing rural discontent, the central authorities have raised the state procurement prices for harvests such as grain and cotton. And even Communist Party chief Jiang Zemin has drawn attention to agriculture, saying the country would remain safe and sound only if its rural areas remained stable.

All over the country, farmers are continuing to leave their plots to seek greener pastures in the coastal southern and eastern cities. According to a recent survey of 67,000 families in rural China, state cash levies on farmers soared by 41 percent in the first six months of the year, while their income rose just 9.5 percent. The sharp increase seems to confirm reports that many local officials have defied central government directives and imposed taxes—which were not approved by Beijing—on the farmers.

Farmland in Guangdong, particularly in the formerly rich agricultural communities along the fertile Pearl River Delta, has shrunk by 170,000 hectares over the past three years, leaving only two million hectares of land in the province. The trend, coupled with repeated directives from Beijing, has prompted authorities in the provincial capital, Guangzhou, to ban nonagricultural land projects for the rest of the year.

As the first laboratory for paramount leader Deng Xiaoping's market economy reforms, Guangdong plays host to scores of foreign-funded factories which mainly sprawl along the Pearl River Delta. Rapid urbanisation has been the major cause of a sharp decline in the amount of arable land in the province. Further proposals aimed at saving Guangdong's agricultural land and vulnerable farming industry are under discussion in the provincial people's congress.

One suggestion calls for the establishment of a comprehensive farmland protection policy, to be put into operation within six years in the province, which posted industrial growth of 38.5 percent last year.

### East Region

#### Fujian Governor Urges Cash Flow Control Effort

HK2211131294 Fuzhou Fujian People's Radio Network  
in Mandarin 2300 GMT 16 Nov 94

[FBIS Translated Excerpt] On the afternoon of 15 November, the provincial government held a province-wide telephone meeting on controlling the excessive increase in consumption funds and on strengthening cash management.

Governor Chen Mingyi asked all localities and departments to further take practical measures to achieve results in a short period in controlling the excessive growth in consumption funds and putting a stop to the excessive increase in injections of cash.

Chen Mingyi pointed out: There are still problems which cannot be overlooked in our economic life. Consumption funds have increased too rapidly, and cash injections have come too quickly. This has not been effectively controlled. If measures are not promptly taken to stop these practices, they will seriously upset the financial order, affect the stability of commodity prices, and hamper normal economic development.

Chen Mingyi asked all levels of governments to strictly control financial and credit work and view this from the high plane of consolidating and developing the results of macroeconomic regulation and control and preserving the overall situation of reform, development, and stability. Financial departments must strictly control all sorts of expenditures to ensure the balance between revenue and expenditure. Taxation departments must exercise good management over tax collection. Monetary departments must continue to strictly control the credit scale and strengthen cash management. Proceeding from the overall situation, all regions, departments, and units must exercise strict control, coordinate and cooperate with one another, and make common efforts to fulfill their work. In the meantime, they must strengthen supervision and inspection. The first leaders of prefectural, city, and county governments must take personal charge of this work and assume full responsibility for it to ensure the implementation of all measures of the State Council and the provincial authorities.

At the meeting, Executive Vice Governor Wang Jian-shuang announced a provincial government circular on implementing the State Council's decision on strictly controlling the excessive growth of consumption funds and strengthening cash management. [passage omitted]

#### Fujian Province To Boost Marine Industry

OW2311090794 Beijing XINHUA in English 0757  
GMT 23 Nov 94

[FBIS Transcribed Text] Fuzhou, November 23 (XINHUA)—East China's Fujian Province, with a coastline of 3,051 km, has developed a strategy of accelerating the

development of its marine resources by increasing the use of new research results and new technologies.

According to Wu Cheng, director of the Provincial Science and Technology Commission, seven projects have already been launched to lead the campaign.

Included in these initial projects are the development of a marine farm at Dongshan bay for cultivating white prawns and developing abalone breeding technologies.

Another one, for marine organisms and products development, has been listed as one of Fujian's top 10 scientific and technological development projects, Wu said.

He explained that Fujian will above all establish a personnel management system to encourage a freer flow of personnel working in the marine research institutions so as to effectively tap the province's marine resources.

A multi-purpose service network will also be set up to share marine research results, he added.

According to him, Fujian will increase input in marine industry and give preferential treatment to marine industry-related study programs.

The official said that Fujian will also introduce a joint stock system into its marine development enterprises.

#### Suspension Bridge Over Jiangsu's Chang Jiang Begun

OW2211141294 Beijing XINHUA in English 1005  
GMT 22 Nov 94

[FBIS Transcribed Text] Nanjing, November 22 (XINHUA)—China has begun to build the first suspension bridge over the Chang Jiang river in Jiangyin city, Jiangsu Province today.

The 2,888-meter bridge, specially designed for motor vehicles, is to link Jiangyin with Jingjiang in this east China's province.

The bridge is designed to measure 33.6 meters in width and 50 meters in height, with six lanes for motor vehicles and allowing the passage of freight trucks of 50,000 deadweight tons (dwt).

Upon its completion, the 1,385-meter main span of the bridge will be the longest in the country and the fourth longest in the world, after those in Japan, Denmark and England.

The whole project also includes construction of a 54-kilometer long highway to connect an express highway from Shanghai to Nanjing, capital of the Jiangsu Province, with a highway from Nanjing to Nantong, a city lying downstream of the Chang Jiang river.

Construction of the bridge is significant to two highways in designing, one from Heilongjiang Province in the northeast to Hainan province in the south, the other from Beijing to Shanghai.



The two-billion project will be completed within the coming five years.

### **Jiangxi Aircraft Company Profits From Car Production**

*HK2211131894 Nanchang Jiangxi People's Radio Network in Mandarin 1100 GMT 16 Nov 94*

[FBIS Translated Text] On 12 November, when covering news in the Changhe Aircraft Company, this reporter saw a new type of small car with a chic outward appearance and interior design coming out on the assembly line. The director of the company told this reporter that the company had produced 16,000 small cars this year as well as two Zhi-8 helicopters, which had been delivered to the consumers. The company also completed another type of aircraft for test flights. The company has made 79 million yuan in profits this year.

The Changhe Aircraft Company is our country's backbone enterprise in the aircraft-making industry. In order to adapt itself to the development of the market economy—while continuing to develop and produce large-size helicopters—the company has continuously introduced advanced technology and equipment from abroad to set up four specialized production and assembly lines. It also imported Japanese equipment for testing cars. Changhe has developed itself into one of this province's prototype car manufacturers and car testing centers. On the basis of such technology, the company went all out to develop civilian products and succeeded in designing and producing 20 types of new cars. Cars produced by Changhe were named first-class cars in the national assessment for three consecutive years and won golden awards as products trusted by consumers.

Between January and October this year, the company produced 580 million yuan in output value, recorded 670 million yuan in sales income, an increase of 32 percent and 23 percent respectively over the same period of last year. The company now ranks among the country's 500 top profit-making enterprises.

### **Shandong Vice Governor Discusses Jan-Oct Exports**

*SK2311072194 Jinan DAZHONG RIBAO in Chinese 12 Nov 94 p 1*

[FBIS Translated Text] The provincial government held a provincial televised export conference on the afternoon of 11 November. It publicized Shandong's exports for the first 10 months of this year and made an urgent mobilization for the work for the next two months. Song Fatang, deputy secretary of the provincial party committee and vice governor, gave a speech.

Shandong's foreign economic relations and trade have been good this year. By the end of October, exports totaled \$5.74 billion, up 26.7 percent from the same period last year in terms of comparable standards. The exports had the following characteristics. First, the

exports of city, prefectural, and county foreign trade companies grew rapidly, with some of them fulfilling their annual tasks two months ahead of schedule. Second, production enterprises authorized to manage imports and exports by themselves developed rapidly. By the end of October, the number of such enterprises increased to over 240, and their exports totaled \$290 million, up 38.1 percent from the same period last year in terms of comparable standards. Third, the export commodity mix was gradually optimized, with the exports of machinery and electronic products increasing rapidly. Fourth, transactions of exports picked up, and economic efficiency improved. Foreign capital utilization was developing toward a still higher level. From January to October, Shandong approved 3,771 foreign investment projects promising \$4.25 billion of foreign funds, and the actual amount brought in was \$2.494 billion. Consortia and transnational companies investing in Shandong, as well as large projects involving foreign capital and fund-and technology-intensive projects built in the province, increased notably. Labor service export contracts entered the new period when growth rate and efficiency grew simultaneously. From January to October, Shandong signed 322 contracts worth \$260 million for construction projects abroad and labor service cooperation.

However, Shandong's export situation is still grim. To make sure that the annual export tasks are fulfilled or overfulfilled, Song Fatang urged: Leaders at all levels and all units should uplift spirits, enhance faith, regard exports as the most important work of foreign trade, and make the best of all favorable conditions to expand exports. All export enterprises should work out special plans, define tasks, make sure that responsibilities are assigned and funds ready, and mobilize forces from all quarters to swiftly create a mass upsurge in commodity purchases and exports. Meanwhile, management should be strengthened, economic efficiency improved, and great efforts made to absorb deficits to ensure that good results are achieved in absorbing deficits within this year. All industry-foreign trade integrated companies should carry forward their advantages in personnel, contacts with foreign firms, export channels, and experiences in international trade to achieve success in tackling the most difficult problems in exports. Particular efforts should be made to fulfill the contracts signed at the Guangzhou Trade Fair and Munich Exhibition.

In conclusion, Song Fatang emphasized: Leadership over exports should be strengthened. Mayors and commissioners in charge should conscientiously shoulder their responsibilities, and foreign economic relations and trade departments at all levels should institute the leadership responsibility system to organize, coordinate, and guide exports, conscientiously change work styles, improve work methods, and carry out more practical work to provide good service to enterprises. While paying attention to the exports of the next two months,

we should make early arrangements for next year's work to make sure that both current and long-term work are attended to.

#### **Shandong Sentences Kidnapper To Death**

SK2311014194 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 22 Nov 94

[FBIS Translated Text] A few days ago, the Zhangqiu city public security bureau cracked a kidnapping case. Criminal (Zhang Ming) was sentenced to death in accordance with laws.

The 23-year-old (Zhang Ming) is from Sichuan Province's Mianyang city. He started to work at the (Santian) brickyard of Zhangqiu city's (Zaoyuan) Town since last winter. On 12 November this year, (Zhang Ming) kidnapped the brickyard director's 11-year-old son and asked for 30,000 yuan from this director.

After receiving the report, the Zhangqiu city public security bureau immediately organized cadres and policemen to work on this case and arrested Criminal (Zhang) at Jinan terminal station the afternoon of the following day.

#### **Private Science, Technology Firms Boom in Shanghai**

OW2211151394 Beijing XINHUA in English 1019 GMT 22 Nov 94

[FBIS Transcribed Text] Shanghai, November 22 (XINHUA)—About 7,500 science and technology firms in the private sector with an annual output of 10 billion yuan will be in operation in Shanghai, China's largest manufacturing center, by the end of this year.

In 1993, the firms provided goods and services worth 8.7 billion yuan, up 300 percent from the previous year, with a gross profit of 1.144 billion yuan, a rise of 200 percent.

The figures show that the firms expand more vigorously than rural industries and Sino-foreign joint ventures, which are active in China's economy.

Favorable social conditions have been created, explained Wang Guozhong, an official responsible for the business of science and technology in the city.

Fostering private firms has been one of Shanghai's key projects, and relevant tax, land and personnel policies have been formulated, said Wang, adding that ample investment has flowed into the firms.

Last year, 628 million yuan was appropriated for the firms' development and research, accounting for 7.2 percent of their total income, much more than in state-owned and rural enterprises, Wang said.

High economic efficiency has been the result. In the private sector of science and technology, each member produces goods and services worth 72,500 yuan, three times that in other sectors in the city.

The firms are promoting scientific research in the market economy, Wang added. In the past two years, they transformed 6,723 scientific research achievements into marketable products.

"However," Wang said, "room for improvement remains, given Shanghai's huge science and technology potential and strong economic base."

XINHUA has learned that Shanghai is reshaping itself to set up groups of private science and technology firms, to ease the money shortage and to introduce overseas capital for them.

The private science and technology firms will increase to 10,000 with an output of 100 billion yuan by the year 2010, Wang said.

#### **Shanghai Acetic Acid Plant to Receive Loans**

OW2211164894 Beijing XINHUA in English 1546 GMT 22 Nov 94

[FBIS Transcribed Text] Shanghai, November 22 (XINHUA)—An agreement was signed here today to the effect that a group of Chinese banks will provide 57.4 million U.S. dollars in loans to the Shanghai Wujing Chemical Works for the production of acetic acid.

The loans will be provided mainly by the Shanghai branch of the Industrial and Commercial Bank of China (ICBC) and six other Chinese financial organs.

Advanced acetic acid equipment and technology will be introduced from Britain, enabling the works to turn out 100,000 tons of acetic acid each year.

Experts say that, upon the project's completion in 1998, it will greatly relieve the tension in demand for acetic acid on Chinese markets.

And each year, it will produce an additional output value of 550 million yuan (about 64.55 million U.S. dollars) and save over 20 million U.S. dollars in foreign exchange for the country, as there will be a drastic cut in imports of the chemical.

During the past few years the Shanghai branch of the ICBC has been organizing financial organs to support key state and local projects, such as the Nanpu and Yangpu Bridges.

#### **Foreign Bank Inaugurated in Zhejiang Province**

OW2211151294 Beijing XINHUA in English 1015 GMT 22 Nov 94

[FBIS Transcribed Text] Ningbo, November 22 (XINHUA)—Ningbo International Bank, the first foreign bank ever established in east China's Zhejiang Province since the late 1970's, began operation here on November 19.

With capital of 30 million U.S. dollars, the bank was given official permission to be set up in March, 1993.

As the headquarters for China-related business of the Indonesia International Bank, it is also the Indonesian bank's first entry into China's financial industry.

The Ningbo Bank aims at providing world-class services for China's economic development, and at helping Chinese and foreign clients invest and trade successfully.

It also intends to conduct its business in keeping with international banking practices.

### Central-South Region

#### Guangdong Governor Inspects Guangzhou-Shenzhen Railway

HK2311105094 Hong Kong TA KUNG PAO in Chinese  
12 Nov 94 p 5

[FBIS Translated Summary] Guangdong Governor Zhu Senlin inspected the trial operation of the Guangzhou-Shenzhen semi-express railway today and expressed his satisfaction with the smooth progress in the comprehensive testing of the railway. He said that the completion of the Guangzhou-Shenzhen express attests to the fact that Chinese railways are joining the ranks of international express railways and hoped that a good job would be done in all preparations for completing China's first semi-express railway. Construction of the railway broke ground on 28 December 1991, and the project has been experiencing smooth progress. The first phase of the testing has been completed, and the second and third phases, which involve testing the telecommunications and signal systems and making a safety assessment, are in full swing.

#### Guangdong Governor Attends Power Plant Ceremony

HK2311103494 Hong Kong TA KUNG PAO in Chinese  
15 Nov 94 p 17

[FBIS Translated Summary] On 14 November in Guangzhou, the U.S. consul general in Guangzhou and Guangdong Governor Zhu Senlin attended a contract signing ceremony for the Taishan Power Plant, which will be one of the largest coal-driven power plants in China. The Guangdong Province Power Group Company and Hong Kong's Zhonglian International Enterprise Company Limited will build the power plant. The Guangdong power company will hold 53 percent of the stake, and the Hong Kong firm will hold the remaining 47 percent. The plant will have an installed capacity of 2.52 million kilowatts in the first phase, which will involve an investment of \$1.2 billion. Vice Governor Zhang Gaoli said during the ceremony that the province will give investors reasonable and good returns.

#### Guangdong Finance Department Helps Agriculture

OW2311090494 Beijing XINHUA in English 0753  
GMT 23 Nov 94

[FBIS Transcribed Text] Guangzhou, November 23 (XINHUA)—Financial department in south China's

Guangdong Province will take active measures to support agricultural development in the province, especially in mountainous areas.

The department said that 12 percent to 15 percent of the total financial expenditure in the province will go to the agricultural sector since this year.

The department also planned to provide 50 million yuan in discount loans annually for development of agriculture featuring higher quality, higher yields and higher efficiency in three poor counties and 40 poor towns in the next three years.

This year, the local government earmarked 50 million yuan to develop "three high" agriculture in the province, of which 11 million was used for building a comprehensive agricultural base in one city in the mountain areas.

Meanwhile, 50 commodity bases have been set up with 150 million yuan earmarked by the local government this year to stabilize grain production.

Since 1991, local government has put 30 million yuan in further agricultural development in the mountain areas and 6 million yuan to help eliminate poverty using advanced technologies.

According to a policy of setting up an eliminating-poverty-fund, local government will allocate 200 million yuan as the base this year with the total amount of the fund expected to increase to 1 billion yuan.

#### Guangdong To Regulate Golf Course Construction

OW2311093394 Beijing XINHUA in English 0913  
GMT 23 Nov 94

[FBIS Transcribed Text] Guangzhou, November 23 (XINHUA)—South China's province of Guangdong is to control the construction of golf courses, according to a resolution passed by the provincial people's congress.

The resolution says that no new golf courses will be allowed in cities where the courses already exist.

The resolution calls for the removal of unauthorized projects and demands the report of those in the process of construction without authorization.

The golf courses located irrationally will be examined.

Guangdong has approved 40 golf course projects, which cover a total of 5,300 hectares of land, with 33 located in the Pearl River delta area.

Moreover, the resolution also demands the provincial government to check abuse of cultivated land in construction projects.

The resolution will be implemented in two phases.

In the first phase, overall checkup will be undertaken on illegal use of land in the construction of urban utilities, golf courses, development zones and real estate development in one year's time from now on.



In the second phase, effective measures will be taken to ensure that the amount of cultivated land of the province will stand at 2.25 million hectares in 1997.

#### **Country's Largest Bookstore Built in Guangzhou**

OW2311093194 Beijing XINHUA in English 0916  
GMT 23 Nov 94

[FBIS Transcribed Text] Guangzhou, November 23 (XINHUA)—A largest bookstore project in China was completed today in Guangzhou, capital of south China's Guangdong Province.

With a total construction area of 23,000 sq m, the store is located in the downtown area of the city. The project, estimated to cost 110 million yuan, consists of a marketing section, an exhibition section, reading rooms and lounges.

Before this large store was built, the city has only a total bookstore area of 5,000 sq m.

A book fair also opened today in the bookstore.

#### **Guangdong To Increase Winter Crop Acreage**

HK2211020294 Guangzhou Guangdong People's Radio  
Network in Mandarin 0400 GMT 20 Nov 94

[FBIS Translated Text] Winter is coming, and the season for planting winter crops in Guangdong is coming. Peasants in all parts of Guangdong, which encountered major natural disasters earlier this year, now are eager to increase production and income by growing winter crops, and they have shown greater enthusiasm for this. The provincial department concerned expected that the area of fields grown with winter crops would reach 840,000 hectares, an increase of 37 percent over the same period last year. The area of fields sown to grain may reach 300,000 hectares, an increase of 48 percent; the area of fields sown to vegetables may reach 394,000 hectares, an increase of 26 percent.

In order to effectively guarantee the production of winter crops, the provincial departments concerned and all local authorities are intensively raising funds and preparing production materials. The city of Jieyang allocated 650,000 yuan, in spite of the difficult financial conditions, to support winter planting. The city has prepared 1,400 tonnes of wheat seeds, 315 tonnes of good potato seeds, and 26.5 tonnes of corn seeds. The agricultural departments at various levels in the city of Maoming have actively offered technical training to peasants for winter production. So far, the city has run 921 technical training classes, and has given training to 320,000 people.

#### **Hainan Attracts More Overseas Investment**

OW2311134294 Beijing XINHUA in English 1327  
GMT 23 Nov 94

[FBIS Transcribed Text] Haikou, November 23 (XINHUA)—The south China island province of Hainan

scored a 77.2 percent increase in the use of overseas investment in the first nine months of this year compared with the corresponding period of last year, according to provincial authorities.

In the period, a total of 672 million U.S. dollars in overseas investment was put into use, the authorities said.

Since Hainan became a province six years ago, a total of 7,059 enterprises involving overseas investment have been set up in Hainan, with the contractual investment accounting for 8.73 billion U.S. dollars, and the actual direct investment amounting to 2.93 billion U.S. dollars.

Besides, the province has utilized 670 million U.S. dollars in loans and free assistance provided by foreign governments, international financial institutions and commercial banks.

In all, the province has actually used a total of 3.6 billion U.S. dollars of overseas investment, 38 times as much as the total amount used when Hainan was a prefecture of Guangdong Province, the authorities said.

The province has made new progress in foreign trade this year.

Statistics show that in the first nine months of this year the total import and export volume of the province amounted to 2.02 billion U.S. dollars-worth, accounting for 73.2 percent of this year's plan.

#### **Henan Secretary on Cotton Procurement**

HK2211130794 Zhengzhou Henan People's Radio  
Network in Mandarin 2300 GMT 16 Nov 94

[FBIS Translated Text] Yesterday, provincial party Secretary Li Changchun and Governor Ma Zhongchen issued an open letter to party secretaries of prefectures and cities, as well as mayors and commissioners, asking that all levels of party committees and governments treat cotton procurement as the focal point of the work concerning the rural areas, to exercise good management over cotton markets, and to expedite the pace of procurement.

The letter states: Since the beginning of cotton procurement this year, most of the cities, prefectures, and departments have made great efforts and done a great deal. This must be confirmed, but viewing the situation over the last two months, the cotton procurement process has not been ideal. By 15 November, only 2.606 million dan of cotton had been procured in the province, accounting for 22.7 percent of the procurement plan, a decrease of 1.234 million dan as compared with the same period of last year. It must be pointed out that some individual cities have fulfilled only 0.9 percent of the procurement plan and some other cities only 7 percent. Henan is far behind Xinjiang, Jiangsu, Hubei, Anhui, Shandong, and Hebei Provinces in cotton procurement. There are objective factors causing Henan's stagnation in cotton procurement but the main reasons are a lack of

correct understanding and proper work methods and leadership. Leaders in some localities have not devoted their main efforts to cotton procurement and are incompetent in organization and mobilization work; some markets are not strict with their management; cotton dealers have not been thoroughly stopped from their willful purchases; and quite a number of cotton growers are still heavily encumbered with improper ideas in selling cotton and are taking a wait-and-see attitude.

Our purpose in writing this letter is to remind all levels of party committees and governments to take the country's overall interests into account, to treat cotton procurement as the focal point of the work concerning the rural areas, to implement [words indistinct], to exercise good management over cotton markets, to speed up the pace of procurement, and to change from passiveness in cotton procurement, so that the province will be able to fulfill 60 percent of the procurement plan by the end of November and strive for 70 percent. We urge principal party and government leaders in all localities to take personal charge of cotton procurement. This year, wherever cotton procurement is not fulfilled, the principal leader in the relevant locality must submit explanations to the provincial party committee and government. During cotton procurement, attention must be paid to improving work style, ideological work must be meticulously carried out, service must be properly provided for cotton procurement, and oversimplified, rude, and coercive orders must be prohibited.

The letter continues: All levels of cadres and masses in Henan have always maintained the fine tradition of taking the overall interests into account and sharing the nation's cares and burdens. We deeply believe that as long as principal leaders of party committees and governments at all levels improve their understanding and proceed with their work in a down-to-earth manner, they will be able to arouse the peasants' initiative in selling cotton and set off an upsurge in cotton procurement, thus fulfilling this year's cotton procurement plan.

#### **Hubei Secretary Stresses Rural Party Building**

*HK2211140194 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 19 Nov 94*

[FBIS Translated Excerpt] Between 16 and 18 November, the provincial party committee held a provincial work meeting on building rural grass-roots organizations in Qianjiang City. The meeting made work arrangements for strengthening rural grass-roots party organizations under the new situation in the whole province. Provincial party committee leaders [Secretary] Guan Guangfu, Hui Liangyu, Liu Rongli, Deng Guozheng, and Huang Yuanzhi attended the meeting. Guan Guangfu gave an important speech entitled "Grasping the New Opportunity, Serving the Objective of Improving the Economy, and Making Great Efforts to Strengthen the Building of Rural Grass-Roots Party Organizations." According to the opinion of the standing

committee of the provincial party committee, he mainly discussed the following three issues:

First, correctly assessing the new situation in party building and deeply understanding the strategic significance of strengthening rural grass-roots party organizations. Second, fully implementing the work plan laid down by the party Central Committee and effectively consolidating the party organizations in this province. Third, firmly and effectively leading the rural masses to create a better life and make economic development and taking this as the fundamental task of the grass-roots party organizations.

In his speech, Guan Guangfu reviewed this province's measures for strengthening grass-roots party organizations in the countryside in recent years and the marked results in this regard. He then pointed out: The conditions of the rural grass-roots party organizations do not match the requirements of the new situation to various degrees. The leading bodies of a considerable number of grass-roots party organizations do not function effectively and especially lack the ability to lead the peasant masses to quicken the pace of creating a better life. Because more and more party members have left their home villages to get involved in business or seek jobs in other places, it is urgently necessary to change and improve the forms, methods, and contents of the grass-roots party organizations. [passage omitted]

When discussing the second issue, Guan Guangfu stressed the need to make a correct assessment of the basic conditions of the grass-roots organizations. He said: Most of the rural grass-roots organizations and party members are good. Various problems appearing in the new situation are primarily caused by the fact that they have not yet adapted their work to the new circumstances and requirements. Education, guidance, assistance, and setting examples are the fundamental way to solve the problems. [passage omitted]

Secretaries of the city and county party committees will bear the primary responsibility for the work of improving and consolidating grass-roots party organizations in the countryside. Leaders should directly guide the work of one or two villages, especially backward villages. This should be taken as a major criteria for the leading cadres' work performance assessment. [passage omitted]

Hui Liangyu, vice secretary of the provincial party committee, relayed the spirit of the national work conference on consolidating grass-roots party organizations at the beginning of the meeting. On the afternoon of 18 November, he made a concluding speech. [passage omitted]

#### **Hubei Secretary Praises 'Outstanding' Entrepreneurs**

*HK2211144094 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 18 Nov 94*

[FBIS Translated Text] In Qianjiang City yesterday Provincial Party Committee Secretary Guan Guangfu;

Deputy Secretary Hui Liangyu; and Liu Rongli, Deng Guozheng, and Huang Yuanzhi, members of the provincial party committee's standing committee, met more than 20 outstanding Hubei township and town entrepreneurs who had just returned from Beijing.

At a just-concluded national meeting on township and town entrepreneurs, 28 Hubei entrepreneurs were cited as advanced individuals, including Zhou Zuoliang, general manager of the Qianjiang Xinfu Holdings Company, who was presented with the highest honor.

While meeting these entrepreneurs, Guan Guangfu fully confirmed their contributions, saying: The common characteristics of our outstanding entrepreneurs find expression in these four points: First, they stand in the forefront of the times, think of new ideas ahead of others, seize the opportunity, and have done what others have not or cannot; second, they have a strong enterprising spirit and like to explore and create their careers; third, they have the spirit of making their enterprises prosperous through arduous efforts; and fourth, they have the valuable spirit of studying what they do not understand and are not familiar with.

Guan Guangfu added: We must set off an upsurge of learning from the advanced and catching with the advanced throughout the province and must strongly advocate these entrepreneurs' pioneering spirit to improve the general level of township and town enterprises and the province's economy.

During the meeting, Comrade Hui Liangyu also made a speech expressing the hope that these entrepreneurs would continue to take the lead in scaling new heights for township and town enterprises throughout the province.

#### **Council Official Inspects Hubei Development Zone**

*HK2211144194 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 18 Nov 94*

[FBIS Translated Text] Hu Ping, director of the State Council's Special Economic Zones Office, and his entourage made a special trip to Ezhou City to inspect the Geding Development Zone's introduction of foreign capital and construction projects. Hu Ping asked the Geding Development Zone to strengthen its impetus and create conditions to encourage foreign investment.

Accompanied by Ezhou Mayor Li Guanxi, Hu Ping and his entourage inspected the Geding Development Zone and fully confirmed Ezhou City's achievements in enabling 24 foreign-invested enterprises to operate.

Hu Ping said: The Geding Development Zone enjoys prominent superiority in transportation, power supply, telecommunications, and water resources. It is an ideal foreign investment zone. The powerful development impetus of foreign-invested enterprises in Ezhou City suggests that medium-sized cities in central China can also make rapid development. Hu Ping asked all the

relevant departments to pay attention to improving the application of policies in the course of improving the investment environment so as to encourage more foreign investments in hi-tech industrial projects.

#### **Large Chloric Alkali Project Begins in Hubei**

*OW2311140294 Beijing XINHUA in English 1330 GMT 23 Nov 94*

[FBIS Transcribed Text] Beijing, November 23 (XINHUA)—A 33,000-ton chloric alkali project has gone into operation in central China's Hubei Province.

According to the CHINA PETROLEUM JOURNAL, the project, sponsored by the China National Petroleum Corporation and built near the Jiangnan oilfield, has already yielded 1,147 tons of liquefied alkali and 340 tons of liquefied chlorine.

The surrounding area has deposits of more than 560 million tons of halite, 20-30 times the amount in Zigong, known as a "city of salt" in southwest China's Sichuan Province. It also has 22.7 billion cu m of bittern with 18 kinds of elements in urgent demand on international markets, including bromine, boron, lithium and iodine.

Liquefied alkali and chlorine produced by the project, 32 percent and 99.6 percent in the terms of purity and density, respectively, are up to the high standards set by the state.

#### **Southwest Region**

##### **Sichuan Secretary on Rural Party Building**

*HK2211132294 Chengdu Sichuan People's Radio Network in Mandarin 2300 GMT 19 Nov 94*

[FBIS Translated Excerpt] The provincial meeting on grass-roots rural party organizations' work concluded in Deyang on 19 November. Xie Shijie, secretary of the provincial party committee, gave an important speech at the meeting. He pointed out: Strengthening and improving grass-roots party organizations in rural areas is an important task set forth by the Fourth Plenum of the Party Central Committee. Grass-roots rural organizations with the village party branches as the core constitute the foundation of our party's work in all fields in the countryside, as well as the foundation of our party's ruling power throughout the country.

In recent years, the provincial party committee set forth the party building guideline of consolidating and developing the grass-roots organizations and successively dispatched nearly 10,000 cadres to help rectify backward party branches in the countryside and promote the development of collective economies. This has achieved positive results. However, along with the development of the socialist market economy, the rural grass-roots organizations are facing many new situations. Some grass-roots leading bodies lack the ability to lead peasants to create a better life; in some localities, the grass-roots



organizations are not functioning properly and have not recruited new party members for a long time. A small number of grass-roots organizations are weak and lax—or even paralyzed. Therefore, leaders at all levels must be resolute and make great efforts to properly fulfill the important task of strengthening and consolidating grass-roots organizations in groups within two to three years, thus achieving the objective set forth by the Central Committee. [passage omitted]

Song Baorui, deputy secretary of the provincial party committee, presided over the meeting. He Zai, executive vice chairman of the Law Affairs Committee of the National Committee of the Chinese People's Political Consultative Conference and vice chairman of the National Foundation for Supporting the Poor, attended the meeting and also gave a speech. [passage omitted]

#### **Sichuan: Taiwan-Funded Enterprise Labor Dispute Solved**

HK2211133094 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1236 GMT 19 Nov 94

[By reporter Yang Jie (2799 2638)]

[FBIS Translated Text] Chengdu, 19 Nov (ZHONGGUO XINWEN SHE)—This reporter has learned from Mianzhu County today that the recent labor dispute in a Taiwan-funded enterprise, the Sichuan Honghui Chemicals Company Limited, has been initially solved. At around 0200 today, Chen Jen-yi, a Taiwan businessman serving as chairman of the company's board of directors, returned to Chengdu from the company headquarters in Wudu Town (formerly Mawei township), Mianzhu County and was reunited with his relatives and friends.

Presided over by Chen, a board meeting was held last night to discuss how to resolve the economic dispute between both parties to the joint venture.

Clad in gray T-shirt and black leather jacket, Chen Jen-yi attended the board meeting along with three other directors, company general manager Deng Yujie, Taiwan businessman Huang Pen, and deputy general manager Tan Kelun. After serious consultation, the board made the following decisions: To pay the wages of company staff, board chairman Chen Jen-yi will first take out 100,000 yuan, which should be remitted to the company account within three days after his return to Chengdu. Chen and Tan will ask the auditing department to audit the company's financial accounts starting 21 November. After the auditing has been completed, the money owed by both parties which should be paid to the joint venture should be remitted in full to the company account within three days. Other contentious and specific issues will be discussed again at the board meeting. Both parties should take advantage of the financial auditing to clarify the company's problems and ascertain where responsibility lies. Matters relating future cooperation will be discussed again at the board meeting.

Both parties indicated their readiness to assume all economic responsibilities to the company should the decisions and regulations of the board meeting be violated.

At the board meeting, Chen said: In the present labor dispute, it is understandable that the workers are unhappy when they cannot be paid. He added that he would not treat the company staff unfairly.

With regard to the agreement signed by both parties at the coordination meeting on the night 12 November, Chen frankly conceded that he did not sign the agreement under duress and that he confirmed the clauses of the agreement.

Although the board meeting was held late at night and it was cold out, this reporter saw three dozen or so employees gather in twos and threes in the company's factory compound. When Chen left the company headquarters, they were relatively calm and peaceful.

As a representative of the Taiwan side, Chen told this reporter the point at issue in the current dispute is an economic problem, which can be clarified only when both parties sit down and fulfill their own responsibilities through auditing. Asked about his confidence in investing in the mainland, Chen said that he had invested in Chengdu and Shanghai and that he still wanted to reorganize Sichuan Honghui Chemicals Company Limited.

#### **Sichuan's Pharmaceutical Sector Benefits From Opening-Up**

OW2311090894 Beijing XINHUA in English 0800  
GMT 23 Nov 94

[FBIS Transcribed Text] Beijing, November 23 (XINHUA)—The pharmaceutical sector in southwest China's Sichuan Province has greatly benefitted from the province's endeavors to open itself faster to the outside world.

With a population of more than one billion, this most populous province has to date approved the establishment of 56 Sino-overseas joint ventures and solely foreign-owned ventures in the pharmaceutical sector, attracting more than 100 million U.S. dollars in foreign investment.

A host of high-tech pharmaceutical plants have been built and a large number of high-tech pharmaceutical products developed, according to a provincial official in charge.

He said that the province's painstaking efforts at introducing its pharmaceutical products to the international market have also proven successful, with at least three plants even having set up branches overseas.

Statistics show that exports of medicines in the first eight months of this year were 65.3 percent greater than in the same period in 1993. Total exports this year are expected

to stand at 800 million yuan (nearly 92 million U.S. dollars), fourth largest among China's 30 provinces, municipalities and autonomous regions.

### **Tibet CPC Lauded for Promoting Ethnic Unity**

*OW2211130894 Lhasa XIZANG RIBAO in Chinese 8 Nov 94 p 2*

[Unattributed report: "Strengthening the Unity Among Nationalities, Safeguarding Motherland Unification—On the Tibet Autonomous Regional CPC Committee's Political and Legal Commission General Office"]

[FBIS Translated Text] Cadres and workers of all nationalities at the General Office of the Tibet Autonomous CPC Committee's Political and Legal Commission have conscientiously safeguarded the motherland's unification and the unity among nationalities, and have performed duties with all their energy, proceeding from the stand of safeguarding motherland unification and the unity among nationalities to promote unity with concrete actions by showing mutual concern, care, respect, assistance, and support, thereby smoothly fulfilling work in all fields of endeavor.

Since its reinstitution in 1988, the Commission's General Office has always placed education on unity among nationalities at the top of its agenda, and has paid particular attention to educating cadres and people of all nationalities on unity among nationalities and to arming them with Comrade Deng Xiaoping's theory on socialism with Chinese characteristics in their work, study, and party activities. It has also conducted study and education on the Marxist outlook on religion and on the party's basic policy toward religion in the New Period among party members and cadres in accordance with their levels of understanding. It has respected and protected their freedom of religious belief as well as ethnic customs and habits in their everyday life. In conducting education on unity among nationalities, it has centered around "the two inseparables [the principle that "Han and minority nationalities are inseparable from each other"]" to guard against and overcome big nationalism [da min zu zhu yi 1129 3046 2469 0031 5030] and local nationalism [di fang min zu zhu yi 0966 2455 3046 2469 0031 5030]. It has refrained from saying and doing things detrimental to unity among nationalities. As a result of the office's persistent, meticulous, solid efforts at education on "the two inseparables," cadres and the masses are not only able to fully recognize the importance of safeguarding motherland unification and strengthening unity among nationalities, but have also enhanced their devotion to promote unity among nationalities and to build a united, prosperous, civilized new socialist Tibet.

Leaders of the office have always paid keen attention to unity, and have taken concrete action to forge close ties among nationalities. They constantly bear in mind the party's cause and unity among nationalities, and regard collective leadership as the code of their conduct, never

drawing a line of demarcation between nationalities but cooperating with each other, sharing their work, and understanding and supporting each other. Cadres of all nationalities at the office are united as one at work, study, and everyday life. When a comrade, regardless if he or she is Tibetan or Han, is stricken with hardships or a mishap, he or she will be visited and assisted by not only people from the party organization but also office cadres and workers; during the holidays, Tibetan and Han comrades will call on and exchange greetings with each other according to their ethnic customs. Retired cadre Zhang Xiangzhen and worker Peng Zongjin repeatedly wrote to the office to thank them for their warm friendship. In recent years, office comrades, displaying the communist style "when one place is in difficulty, help comes from all sides," have donated over 1,000 yuan for snowstorm victims in Nagqu, the Hope Project, nursing homes, and a disabled girl named Zhaxi Yangzong.

In 1987, when a handful of separatists were stirring up disturbance and making trouble in Lhasa, the office conducted investigation and study, collected information, provided prompt feedback, and drafted precaution measures, thereby providing background materials for authorities to make correct policy decisions.

Whenever a handful of separatists stirred up disturbance and made trouble under the instigation and support of the Dalai group outside the territory and foreign hostile forces, comrades of the office always steadfastly implemented the party's line, principles, and policies in waging a resolute struggle against the separatists. At meetings of party and Communist Youth League organizations, office comrades would cite the historical fact that Tibet is an inalienable part of the motherland's territory as well as their personal experiences and would draw a comparison between the new and old societies to explain that Tibetan compatriots can survive, develop, and prosper only when Tibet is a member of the big family of the motherland. The office comrades worked hand in hand and day and night without a break in drafting measures to stabilize the situation. As a result of the office's quick feedback and effective measures, the public security, judicial, and procuratorial organs were able to grasp the initiative of the struggle to stabilize the situation. Meanwhile, in light of the realities, the Political and Legal Commission formulated the "Opinions for Handling Cases of Criminal Offenses in Carrying out Separatist Activities, Counterrevolutionary Rebellions, and Political Turmoils," thereby providing the important basis for sure, accurate, and relentless strikes at activities of national separatists. In July last year, when a small handful of criminals stirred up a serious incident of violence [yan zhong bao li shi jian 0917 6850 2552 0500 0057 0115] in Sog County, Nagqu Prefecture, comrades of the office and its work group worked assiduously for 40 days in conducting a thorough investigation and meting out punishments, according to the law, to criminal offenders who took part in beating, smashing, and looting, thereby protecting the legitimate

rights and interests of individual working people, safeguarding unity among nationalities, and winning praises from the broad masses of people.

Comrades of the office uphold the party's basic line in further implementing the "Law on Autonomy for Nationality Regions" to promote stability and development in Tibet. They have diligently studied the "Law on Autonomy for Nationality Regions" and given top priority to training and bringing up ethnic minority cadres who love the socialist motherland, have communist awareness and understanding of the Marxist theory and policy, and maintain close contacts with the masses.

To persist in the basic line of "one center, two basic points;" to earnestly implement the party's policies toward ethnic minorities and religion; to actively develop socialist relations equality, unity, and mutual assistance among nationalities; to unite the people of all nationalities and in all sectors; and to mobilize all positive factors is the fundamental guarantee for invigorating the economy and promoting social and political stability in Tibet. Centering around the basic line of "one center, two basic points," the commission's General Office has adhered to the strategic principle of "giving equal emphasis on two fronts and doing well in both" in correctly handling the dialectical relations between stability, reform, and development and in giving top priority to safeguarding motherland unification, unity among nationalities, and stability, thereby making its share of contributions to the smooth progress of economic construction, reform, and opening up in Tibet.

### Chen Kuiyuan on Tibet's Stability

#### Part 1

OW2311080594 Lhasa Tibet People's Radio Network in Mandarin 1400 GMT 21 Nov 94

[Report on Tibet Regional Party Secretary Chen Kuiyuan's Speeches While Inspecting Nyingchi Prefecture from 8 to 13 November—Part 1]

[FBIS Translated Text] Comrade Chen Kuiyuan, secretary of Tibet regional party committee, recently conducted an investigation and study, supervised work, and issued important talks in Nyingchi Prefecture. Comrade Chen Kuiyuan stressed that it is the primary task of the region's leading bodies at all levels to implement the guidelines of the Third Work Conference on Tibet. The leading bodies must comprehensively understand the strategic significance of decisions of the party Central Committee and must not limit their vision on the 62 aid projects. To quicken economic development, we must have clear thinking and bring our own advantages into play. To bring about a stable situation, it is first necessary to strengthen the anti-splittism struggle and identify the Dalai clique's splittist activities as the root of Tibet's instability. To strengthen party-building, it is important to effectively build up leading bodies at and above

county-level. Meanwhile, it is necessary to vigorously strengthen the building of grass-roots organizations and fully exploit party branches' fighting force and party members' exemplary vanguard role. From 8 to 13 November, Comrade Chen Kuiyuan inspected and supervised work in Nyingchi Prefecture. He called on the vast number of cadres, workers, and people working at the frontline in counties, villages, plants, mines, and enterprises, as well as officers and men of the People's Liberation Army [PLA] manning border outposts. Secretary Chen not only inquired in detail about the work, study, life, and military training of cadres, workers, people, and PLA officers and men, but also acquired a thorough understanding of major plans to promote economic development and bring about a stable situation. He also issued important speeches. This station will broadcast the contents of Secretary Chen Kuiyuan's important speeches in two parts in the "News" program starting today. Listeners, please note and tune in.

While inspecting farms and village and town enterprises in Maizhokunggar, Gongbogyamda, Bomi, Zayu, and Yiong, Secretary Chen Kuiyuan focussed on understanding the implementation of the guidelines of the Third Work Conference on Tibet. He said: It is good that various localities have adopted ways to publicize and implement the guidelines of the Third Work Conference on Tibet. Many localities have conveyed the guidelines to grass-roots party members and people as well as working out ways to implement and outline development programs. However, we must also note that in implementing the conference guidelines, cadres at all levels, particularly cadres at and above county level, must comprehensively understand the essence of guidelines. The party Central Committee's resolution on quickening Tibet's economic development and safeguarding social stability is a strategic decision of great significance. This is an extensive party Central Committee plan to quicken Tibet's development and maintain Tibet's long-lasting peace under the new situation. The conference has not only forwarded the clear goal of struggle for Tibet's political, economic, and social development, but also offered a series of preferential policies and flexible measures. More importantly, the conference has determined the guiding ideology and major principles for work in Tibet for the future. These major decisions do not simply cover one or two years, but will be implemented until the year 2000 or beyond.

To correctly understand the guidelines of the third work conference in Tibet, it is necessary to firmly tackle two major tasks—promoting economic development and maintaining long-term stability. We can lay down a good foundation for deepening the implementation of the conference guidelines only when we deepen our understanding of the essence of the guidelines. If we do not fully understand or grasp the key points of the guidelines' essence, there will be no foundation on which to maintain Tibet's stability, and it is out of the question then to talk about development. Speaking on how to quicken development, Secretary Chen pointed out: The past



decade was a period of very fast development nationwide. A few people in Tibet have been involved in riots and caused disturbances over the past few years. As a result, many large foreign and local companies and enterprises dared not invest in the region, costing the region dearly in terms of lost good opportunities for development.

To quicken development currently, we must first have clear thinking. First, we must pool our energies to effectively promote economic development as a center. We have only one central task, that is to develop the economy and help the Tibetans become well-off as soon as possible. We must resolutely eliminate the disturbances and sabotage of hostile forces and so effectively promote economic work in every possible way. We must principally concentrate our energies on economic construction. The party Central committee has decided to quicken Tibet's development, and mobilized various provinces and municipalities nationwide to support us strongly. This is a rare opportunity. We must rouse our spirit and establish lofty aspirations to build up our own homeland.

Second, we must proceed from actual conditions and explore ways for quickening development. As conditions in various localities differ greatly, they must avoid copying exactly other development projects and methods. They must, in accordance with their actual local conditions, determine their own development plans and look for agricultural and industrial projects with high added-value. They should develop and turn their advantages in natural resources into economic advantages. Meanwhile, it is necessary to pay attention to rational development, utilization, and the protection of natural resources to maintain a good ecological environment. Third, we must widen our thinking and come out of the narrow circle of the single-product economy, and vigorously develop the diversified economy. The idea of the diversified economy as a side issue is an old concept left behind by the planned economic system. The concept has downgraded the meaning of the diversified economy and restricted the development of prospective industries. We must abandon this concept and vigorously develop energy-saving, marketable, and efficient industries. In addition, we must step up efforts in production, supply and marketing, and product packaging, as well as strengthen publicity.

Fourth, we must attach importance to training technical and management personnel. We must actively draw on qualified personnel in various fields from the inland, and provide good working and living conditions for them. In developing the market economy, Tibetans do not lack behind the others in intelligence, the crucial thing is that we are affected by environmental factors. Utilizing the strengths of others, therefore, we must actively learn from their advanced technology and management experience and gradually train Tibet's specialized personnel.

## Part 2

*OW2311112294 Lhasa Tibet People's Radio Network in Mandarin 1400 GMT 22 Nov 94*

[Report on Tibet Regional Party Secretary Chen Kuiyuan's Speeches While Inspecting Nyingchi Prefecture from 8 to 13 November—Part 2]

[FBIS Translated Text] Comrade Chen Kuiyuan, secretary of the Tibet Autonomous Regional Party Committee, recently conducted investigation and study, examined and supervised work, and issued an important speech in Nyingchi Prefecture from 8 to 13 November.

Commenting on the tasks of stabilizing the situation and fighting against splittism, Secretary Chen Kuiyuan earnestly advised: To further strengthen stability, it is first necessary to intensify the anti-splittist struggle. At present, we need to concentrate our efforts to facilitate economic construction so that the masses can become wealthy and prosperous at an early date. However, the splittist forces will definitely not willingly accept such prospects. No one will blindly follow them when the masses are wholeheartedly striving to become wealthy. Therefore, they will explore and try every way to disturb and sabotage our efforts.

We were forced to impose a curfew in part of Lhasa in 1989. We had the situation under control within a very short time and lifted the curfew. However, the setback cost us the opportunity to progress rapidly. At present, the Dalai clique is still sending people to carry out political infiltration and reactionary propaganda in Tibet. It futilely attempts to disturb the masses' minds and upset our confidence in accelerating Tibet's economic progress. Therefore, we must be unequivocal in carrying out tasks to stabilize the situation and especially while conducting the anti-splittist struggle. Once we discover any possibility of a riot or symptom of troublemaking, we must resolutely and firmly crack down on them. We have trust in most of the masses. The masses are the real heroes and are competent to distinguish right from wrong.

Commenting on the party's religious affairs policy, Secretary Chen Kuiyuan pointed out: The party's religious affairs policy remains and will remain unchanged. The policy that communist party members must be atheists is longstanding. The masses in agricultural and pastoral areas are free to believe or disbelieve in religion, or to follow one religion or another. The normal religious activities of temples are protected. However, some localities have conducted more and more religious activities, and expanded these activities to an ever-larger scale, thereby adversely affecting the masses' normal production and livelihood. Such a trend is not good. Some people have instigated religious mania to obstruct judicial, administrative, and educational programs. Such moves violate state laws and go against people's interests. We must differentiate between accepting a religious

belief and accepting the splittist forces' political infiltration, and between joining religious and splittist activities. Temples must abide by religious doctrine and canon, and obey state laws and regulations. We absolutely forbid anyone, under the pretext of religion, to promulgate splittist ideologies and views, or to promote splittist activities; and absolutely forbid temples to obstruct educational, administrative, and judicial programs. Once we discover any of the above violations, we must resolutely handle and penalize the culprits.

Commenting on ways to strengthen party-building, Secretary Chen Kuiyuan pointed out: To strengthen party-building, we should first properly implement the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee; pay attention to developing and strengthening grass-roots party organizations; properly equip leading bodies; and appropriately educate grass-roots party members so that the party's grass-roots organizations can truly play their role as fighting forces during the anti-splittist struggle and as leaders leading the masses in economic construction and shaking off poverty to become wealthy. Grass-roots cadres should perform good deeds and concrete tasks for the masses because grass-roots party organizations are a link between the party and the masses. Common people do not get the chance to meet General Secretary Jiang or Premier Li Peng, and they cannot readily meet with the prefectural party secretary or administrative commissioner. If grass-roots cadres have properly performed their work, the common people will praise the communist party. Otherwise, they will not praise the communist party. Our party aims to wholeheartedly serve the people and opposes decorative flourishes.

He also said: When examining cadres and selecting them to leading bodies, the most important things we should look into are their stands, statements, and actions in anti-splittist struggles. Cadres who do not throw their energy into anti-splittist struggles must not be promoted to important positions. Those who are in leading positions but have failed to make a clean break with splittism should be removed. We should educate the vast number of party members and broad masses of people, make them understand fully the root cause of instability in our region, and make them understand who are the people who destroy the situation characterized by stability and unity, so that they can maintain sharp vigilance at all times.

We should cherish and uphold ethnic unity, and oppose parochial nationalism. Tibetan and Han nationalities should care for, help, and support each other. All cadres, whatever their nationalities, should not promote nationalism. The motherland's unification and ethnic unity are of utmost interest to all nationalities in Tibet. A Communist Party member should always keep a clear head when facing disputes. He should be the mainstay and should set an example in anti-splittist struggles, promoting motherland unification, and strengthening ethnic unity.

Along the way, Secretary Chen Kuiyuan also inquired in detail about the conditions of schools in counties and townships in Nyingchi Prefecture. He said: A great portion of our region's population is illiterate, and the population's overall quality is not good. Leading cadres at all levels should have a sense of urgency and responsibility. History has seen brilliant and splendid achievements made by the Tibetan nationality. The cultural level of the Tibetan nationality was, on the whole, higher in the Middle Ages. However, the feudal and serf systems which ruled for about 1,000 years inhibited cultural and educational development. Now, we must admit that we have fallen behind in this respect. Our cultural and educational development have fallen behind recently advanced nationalities. We must overcome all difficulties to strive for "two have's-and-80," namely, strive to have a middle school in each of our counties and a comprehensive primary school in each of our townships by the end of this century, and reach an enrollment rate of over 80 percent for school-age children. We should continue to improve educational standards, use all means to reduce illiteracy, and gradually improve the overall quality of the entire nationality. Only through such efforts can we stand among the world's advanced nationalities, not let our ancestors or posterity down, and promote faster and better economic development in Tibet.

Secretary Chen said: Be it anti-splittist struggles or economic construction, we must attach importance to a united front work. We should enhance the roles of patriotic people, letting them contribute by working side by side with us and suggesting ways and means for building our hometown. Secretary Chen also expressed his great concern for army-building and double-support work [support the army and give preferential treatment to families of revolutionary army men and martyrs, and support the government and cherish the people]. He visited officers and men of the People's Liberation Army [PLA] in a company, and inquired about their life and border-defense construction. He was interested in the educational activities, recreation, and ideological work of PLA soldiers. He said emphatically: Local governments at all levels should pay close attention to double-support work, take the initiative to show concern for the life of our people's own army, and help PLA units carry out construction.

Secretary Chen said: In the course of liberating and constructing Tibet, the PLA made immortal deeds and great contributions. I hope our people's own army will continue to play an important role in developing Tibet's economy, stabilize the situation in Tibet, and publicize the party's ideologies, principles, and policies.

#### **Report on Tibet's Release of Four Prisoners**

OW221114694 Lhasa XIZANG RIBAO in Chinese 7  
Nov 94 p 1

[Report by Chen Darong (7115 1129 2837) and Yang Huiping (2799 6540 1627): "Four Criminals, Including Yulo Dagwacering, Released on Parole or Commuted Sentence"]

[FBIS Translated Text] On 6 November, four criminals, including Yulo Dagwacering [yu luo da wa ci ren 7183 3157 6671 1216 2945 0088], Tubdain Namzhub [tu deng lang zhu 0960 4098 2597 3796], Cewang Baindain [ci wang ban dan 2945 2489 3803 0030], and Chung Bdag [qiong da 4522 6671], who were serving sentences and undergoing reform in the Zhaji Prison, were released on parole or as a result of commuted sentence according to law.

While in prison, Yulo Dagwacering, Tubdain Namzhub, and Cewang Baindain, admitted their guilt, obeyed the law, showed signs of repentance, and obeyed prison management; and Chung Bdag basically admitted her guilt and behaved herself. In accordance with the provisions of Articles 71 and 72 of the "Criminal Law of the PRC" and the policies of "leniency to those who confess" and "offering a way out," the prison administrative organ reported to the court for approval of releasing Yulo Dagwacering, Tubdain Namzhub, Cewang Baindain, and Chung Bdag on parole and commuted sentence according to law.

Yulo Dagwacering and the other three criminals said they appreciated the government's leniency to release them. They also said that after returning to society, they would support the Communist Party and become discipline-observing and law-abiding citizens.

#### Key Projects Go Smoothly in Tibet

OW2111034694 Beijing XINHUA in English 0325  
GMT 21 Nov 94

[FBIS Transcribed Text] Lhasa, November 21 (XINHUA)—Sixty-two key projects in Tibet, which will receive nationwide support, are going well.

At present, preparatory work has been done on 48 of the projects with nearly 130 million yuan having been set aside for them. The construction of 27 of the projects has been going on since September of last year.

Both the central and local governments have attached great importance to the projects. All the provinces and cities which have been designated by the central government to aid the projects have set up special teams led by provincial officials. Inspection teams consisting of experts and scholars have also been sent to Tibet.

By the end of last month, some 600 people from more than 40 provinces, cities, autonomous regions and government departments have visited the region.

Some adjustments have been made and more projects will receive financial aid in accordance with the results of the inspections.

#### Tibet Metal Mine Construction Said Proceeding Well

OW2111085594 Beijing XINHUA in English 0708  
GMT 21 Nov 94

[FBIS Transcribed Text] Lhasa, November 21 (XINHUA)—Construction of the Gyama metals mine, 70

kilometers from Lhasa, capital of the Tibetan Autonomous Region, is proceeding well.

Discovered in Maizhokunggar County in the 1960s, the site contains deposits of lead, zinc, copper, gold, silver and molybdenum.

So far, more than 10 million yuan has been spent on the construction, which is expected to be completed next year.

A local official noted that, when the mine goes into production, it will be able to process 1 million to 1.5 million tons of mineral ore daily, and generate an annual output value of between 10.4 million yuan and 24 million yuan.

Thus far, a number of companies both at home and abroad have signed contracts with the regional government to develop the mine jointly.

#### Efforts To Keep Sand-Vulnerable Highway in Tibet Open

OW2311014994 Beijing XINHUA in English 0124  
GMT 23 Nov 94

[FBIS Transcribed Text] Lhasa, November 23 (XINHUA)—Chinese experts will take biological and mechanical measures to keep open a major highway which is often blocked by moving sand in the southeast part of the Tibet Autonomous Region.

Chinese sand-control and transportation experts have put forward a joint proposal to harness the moving sand by fixing it outside the 438-km-long highway from Bayizhen town in Nyingchi county to Qungdo'gyang Town in Qusum County.

They schedule to straighten the Yarlung Zangbo river the highway follows so that the river water will flow more smoothly and less silt will be produced.

In addition, biological measures will be taken to fix the sand drifting from river beaches, hills and tableland, according to the experts, who have made wide-ranging studies at the site.

Upon completion of the project, the highway will greatly help develop the local economy and bring about booming border trade, the experts predict.

Currently, some 270 km of the highway is blocked for about eight months a year, causing economic losses of more than 3 million yuan. In some places, the sand piles as high as 50 cm.

#### Yunnan Secretary Addresses Nationality Meeting

HK2211133394 Kunming Yunnan People's Radio  
Network in Mandarin 1000 GMT 18 Nov 94

[FBIS Translated Excerpt] A provincial meeting on the work concerning nationalities and the third provincial commendation meeting on nationality solidarity and



progress opened in the Kunming People's Hall on 18 November. More than 1,200 representatives of 26 nationalities throughout the province attended the meeting. Provincial party, government, and military leading comrades, including [Secretary] Pu Chaozhu, [Governor] He Zhiqiang, Ling Huan, Liang Jinquan, Yin Jun, Zhang Baosan, Meng Jiyao, and Wang Tianxi were also present. [passage omitted on other participants]

At 0900, Provincial Deputy CPC Secretary Ling Huan declared the meeting open.

[Begin recording] [Ling] The Yunnan provincial meeting on the work concerning nationalities and the third provincial commendation meeting on nationality solidarity and progress are now convened. Please rise and listen to the national anthem. Now we invite provincial CPC Secretary Comrade Pu Chaozhu to make an important speech.

[Pu] Comrades: A provincial meeting on the work concerning nationalities and the third provincial commendation meeting on nationality solidarity and progress are convened today. These are important meetings which have a bearing on the overall situation. On behalf of the provincial party committee and the provincial people's government, I express my heartfelt regards to all the participating comrades and extend my warm congratulations to the advanced collectives and individuals. [end recording]

Pu Chaozhu said: Yunnan is a multinational border province. Since the founding of the PRC, under the leadership of the party Central Committee and the provincial party committee, cadres and masses of all nationalities have created and accumulated good and successful experiences in the work concerning nationalities. This experience can be summed up as follows: Marxist theory and the party's policy on nationalities have been combined with the specific conditions in Yunnan's ethnic border regions, and everything has been done in light of the actual conditions to resolve problems in construction and revolution in Yunnan's ethnic border regions. This is our most valuable wealth.

On carrying out in-depth education on the Marxist concept about nationalities and on improving the work concerning nationalities in the new situation, Pu Chaozhu stressed five points: First, the Marxist concept about nationalities and the party's policy on nationalities; second, having a clearer idea of the guidelines for the work concerning nationalities in this new period, increasing the force of reform, and expediting economic and social development in ethnic regions; third, putting education in the number one position in the province's strategy; fourth, improving the work on training, selecting, and employing ethnic cadres; and fifth, strengthening leadership over the work concerning nationalities. Pu Chaozhu said in conclusion:

[Begin Pu recording] Comrades: We undertake a heavy historic task of reform, opening up, and modernization.

The materialization of the grand target of socialist modernization requires the efforts of the people of all nationalities as well as their closer solidarity. Under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, let us closely unite around the Party Central Committee with Comrade Jiang Zemin as the core and continuously develop the province's work concerning nationalities. Thanks everyone. [end recording]

Li Jinyou, vice minister of the State Nationalities Affairs Commission, also spoke at the meeting. The CPC Central Committee's United Front Work Department sent a congratulatory message to the meeting.

### **Kunming Hosts Southwest Investment Bidding Fair**

HK2211073094 Kunming Yunnan People's Radio  
Network in Mandarin 1000 GMT 16 Nov 94

[FBIS Translated Excerpt] A Southwest Investment Bid Fair opened in the Kunming International Trade Center at 1000 yesterday. Yao Jiyuan, vice chairman of the organizing committee and vice governor of Guizhou Province, presided over the opening ceremony. [passage omitted]

He Zhiqiang, chairman of the organizing committee and Yunnan provincial governor, spoke at the opening ceremony. On behalf of the governments and people of the six southwest Chinese provinces and regions, he warmly welcomed the participants and sincerely thanked the United Nations Industrial Development Organization [UNIDO], the UN Development Program, and the Economic and Technological Exchange Center of the Chinese Ministry of Foreign Trade and Economic Cooperation for their assistance and support.

Governor He Zhiqiang briefed the participants on the economic and social development in southwest China, saying: Because southwestern regions have superiority in terms of regional position, more and more Chinese and foreign investors have become interested in these regions and foreign-related economic and technological cooperation is good. The state has now oriented its policy toward central and western regions and this will provide a new opportunity for economic development and the introduction of foreign investments to southwestern regions.

Governor He Zhiqiang continued: To seize this opportunity, bring southwestern regions' strong points into full play, and expedite their economic and social development, all localities in these regions are widening their opening up scope. This investment bidding fair is an important measure which southwestern regions will use to strengthen the introduction of foreign capital by means of multilateral UN channels.

Governor He Zhiqiang added: As the host of the current investment bid fair, Yunnan will closely cooperate with all sides, Chinese and foreign, in making a success of this fair.

UNIDO Secretary General (Kanpus) addressed the opening ceremony, saying: This investment bid fair provides a good opportunity and channel for China's industrial development and effective investment orientation. UNIDO has selected and recommended 140 projects. For southwestern Chinese regions, this investment bidding fair provides an opportunity and poses a challenge. Here, foreign investors can materialize their successful development.

(Kanpus) also briefed the participants on UNIDO development. In conclusion, he wished the participants success in their business discussions. More than 2,000 Chinese and foreign guests attended the opening ceremony yesterday.

### Northeast Region

#### Heilongjiang Secretary Speaks at CPC Plenum

SK2311054294 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 22 Nov 94

[FBIS Translated Text] The third enlarged plenary session of the seventh Heilongjiang Provincial CPC Committee opened in Harbin today. Major tasks of this session are to deepen the understanding of the provincial situation in line with the theory of building socialism with Chinese characteristics and the idea of socialist market economy; to further clarify the general ideas for economic development and strategic priorities after summarizing Heilongjiang's basic experiences and lessons in reform, opening up, and economic construction; and to conscientiously strengthen and improve party building, strengthen and improve party leadership, and enhance the unity and combat effectiveness of party organizations by thoroughly implementing the guidelines of the fourth plenary session of the 14th party Central Committee, and then mobilize party organizations at all levels, the vast number of communist party members, and people of various nationalities in the province to emancipate the mind, uplift spirit, work in unison, pioneer new causes through hard work, actively devote themselves to opening up the second battlefield of economic development, and strive to attain on schedule the development goals of quadrupling GNP and upgrading people's lives to a moderately prosperous level.

Tian Fengshan, deputy secretary of the provincial party committee and acting governor, presided over the session this morning. Ma Guoliang, Shan Rongfan, Yang Guanghong, Wang Xianmin, Li Qinglin, and Suo Changyou, standing committee members of the provincial party committee, were seated on the rostrum. Yue Qifeng, secretary of the provincial party committee, gave a report entitled "Emancipate the Mind, Clarify Ideas, Actively Open up the Second Battlefield of Economic Development, and Attain on Schedule the Goals of Quadrupling GNP and Achieving a Moderately Prosperous Life."

Yue Qifeng pointed out: Stagnant economic development is a major contradiction we encounter. Promoting economic construction is the foundation for solving all social problems. After thoroughly analyzing the provincial situation and summarizing the basic experiences and lessons in reform, opening up, and economic construction, the provincial party committee holds that Heilongjiang should have a development period in which hard efforts are made to reform systems and adjust the structure and for achieving low input, high output, and quick accumulation if it is to gradually channel the economy to the track characterized by an optimal structure and sustained, rapid, and healthy development. The general ideas for the economic construction of this period should be to actively open up the second battlefield of economic development while never slackening efforts in the first battlefield—agriculture and state-owned enterprises; to greatly cultivate new growth points of the economy; and to establish an initial form of the socialist market economy system, quadruple GNP, and achieve a moderately prosperous life by the end of this century.

Yue Qifeng emphasized: The basic reason for Heilongjiang's stagnant economic development lies in its lack of sufficient efforts in emancipating the mind; and the most important issue on accelerating economic development also lies in further emancipating the mind. In particular, we should be determined to abandon the outdated idea of the planned economy and the distorted understandings of socialism, to thoroughly eliminate the leftist influence, and to truly clarify the questions of what socialism is and how to build socialism if we are to put into practice the ideas for development put forward by the provincial party committee and vigorously and fruitfully develop the second battlefield of economic development.

Yue Qifeng pointed out: Whether Heilongjiang can promote its economy, quadruple its GNP, and upgrade people's life to a moderately prosperous level is an extremely important and very serious economic, political, and social issue that has a bearing on the overall situation. It represents a severe test to party organizations at all levels, the vast number of communist party members, and people of various nationalities in the province. To make sure that the goal of quadrupling GNP is attained on schedule by the end of this century, Heilongjiang has worked out the strategic priorities of economic development as speeding up the improvement of the overall efficiency of the rural economy, with the focus on developing high-yield, good-quality, and high-efficient agriculture; speeding up the pace for state-owned enterprises to enter the market economy, with the focus on transforming enterprises' operating mechanism and clarifying the relations in property rights; speeding up the cultivation and development of nonstate-owned sectors of the economy, with the focus on developing township enterprises; speeding up the cultivation and development of the pillar industries that enjoy local advantages, with the focus on developing fine processing

and high- and new-tech industries; speeding up the development of the tertiary industry, with the focus on establishing and improving a unified and open market system, socialized comprehensive service system, and social security system; and speeding up the development of the export-oriented economy, with the focus on accelerating the cooperation with the areas to the south of the province and opening wider to the outside world in all directions.

Yue Qifeng pointed out: To meet the requirements on the period for speeding up the intensive exploitation of resources and speeding up the pioneering of the second battlefield of economic development, we should abide by the following work principles for economic construction. We should adhere to the principle of low input, high output, and quick accumulation; the principle of developing Heilongjiang with science and technology and starting fewer new projects while building more transformation projects; the principle of promoting the development of new industries and new products by opening up the market; the principle of enabling urban and rural areas to supplement each other with their respective advantages and to develop in a coordinated manner; the principle of diversifying production while emphasizing one trade; the principle of accelerating local economic construction and then making more contributions to the state; and the principle of enabling the material civilization and the spiritual civilization to promote each other and to develop together.

Speaking on strengthening and improving party building, Yue Qifeng pointed out: Firmly focusing on the objective of building the party into a Marxist political party that is armed with the theory of building socialism with Chinese characteristics, which serves the people wholeheartedly, which is ideologically, politically, and organizationally strong, which can withstand various risks, and which is always at the fore of the era, we should persistently arm the entire party with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and devote efforts to further emancipating the mind, updating ideas, and becoming more active and steadfast in implementing the party's basic line; we should persistently take economic construction as the central task without wavering and devote efforts to liberating and developing productive forces and continuously enhancing the unity and combat effectiveness of party organizations; we should persistently focus on economic construction to strengthen and improve party building and devote efforts to upgrading leadership skills and leadership level and continuously enhancing the ability to control the overall situation in reform, opening up, and economic construction; we should persist in the basic criterion of three advantages and devote efforts to invigorating the party through reform, studying new conditions, addressing new problems, creating new experiences, and winning new achievements; and we should persistently manage the party strictly and resolutely punish corruption and devote efforts to successfully

building all the party organizations in the province and continuously improving their overall quality.

Thirty-five members and 15 alternate members of the provincial party committee attended today's session. Attending as observers were members of the provincial discipline inspection commission; vice chairmen of the provincial people's congress standing committee; vice governors, special advisers, and governor's assistants of the provincial government; vice chairmen of the provincial committee of the Chinese People's Political Consultative Conference; responsible persons of various provincial departments; mayors and commissioners of various cities and prefectures; and secretaries of county and city party committees.

### **Heilongjiang Sentences Criminal Offenders, Thieves**

*SK1811013494 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 17 Nov 94*

[FBIS Translated Text] On 17 November, Harbin openly sentenced a group of motor vehicle thieves and criminals who killed a person with a rifle.

On 12 December 1992, defendant (He Hongfei) quarreled over the telephone with the owner of the (Zhenxing) Fur Shop of Harbin. (He Hongfei) asked (Chen Desheng) to help him seek a reprisal; (Chen Desheng) killed the shop owner with a small-bore rifle. Today, (Chen Desheng) was sentenced to death. (He Hongfei) was sentenced to four years' imprisonment.

From March 1984 to May 1993, criminals (Wang Rujun), (Wang Huachun), (Han Mingdong), and (Kang Haijun) successively stole three sedan cars, a van, and a jeep in Harbin and Dalian. The vehicles they stole were valued at over than 700,000 yuan. (Wang Rujun) was sentenced to death, and the rest were sentenced to life imprisonment.

### **Heilongjiang Executes Embezzler 17 Nov**

*SK1811020394 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 17 Nov 94*

[FBIS Translated Text] On the morning of 17 November, (Wang Lin), a cashier of the machinery plant attached to the Mudanjiang locomotive plant, was executed by shooting according to the law for embezzling a huge sum of public funds.

From November 1990 to June 1993, 23-year-old (Wang Lin) took advantage of his post and successively committed 164 criminal cases individually or together with his elder sister (Wang Xiaomei) by not keeping accounts of the money he drew or drawing a lot but charging less to the accounts. The public funds embezzled by him exceeded 384,000 yuan. (Wang Xiaomei) was sentenced to 10 years' imprisonment.



### Jilin Sets Demands on Grain Procurement

SK2311024494 Changchun JILIN RIBAO in Chinese 6  
Nov 94 p 1

[Article by Zhang Lijun (1728 0500 6511): "Ensure the Smooth Fulfillment of This Year's Grain Procurement Task"]

[FBIS Translated Excerpt] The provincial grain procurement work conference held on 5 November pointed out that all levels of government should correctly understand this year's situation in grain production and procurement, conscientiously implement policies, and strengthen market management to ensure the smooth fulfillment of the task on procuring 9 billion kg of grain. Vice Governor Wang Guofa attended and addressed the conference.

When analyzing this year's situation in grain production and procurement, the conference pointed out: This year there are many favorable conditions for procurement of autumn grain, and the total grain output reached 20.15 billion kg, the second highest in history. However, we should also catch sight of new cases and new problems and should not underestimate the arduousness of fulfilling the grain procurement task. Therefore, the province has defined the guiding ideology for this year's grain procurement as: persisting in market developments, ensuring the balance between total supply and total demand, considering the "interests of four parties," carrying out protection policy, speeding up grain circulation, and promoting economic development.

With regard to the grain that is purchased with a contract order system, we should strictly carry out the task of procuring 4.373 billion kg of contracted grain assigned by the provincial government and all localities should not reduce the quotas at random. We should continue to implement the principles that "those with unharvestable crops should be completely exempt from grain delivery, those afflicted by serious disasters should have their grain delivery quotas reduced appropriately, and those afflicted by light disasters or not experiencing any disasters should not be exempt from grain delivery." We should strive to make public the policies, the amount, and the targets of grain reduction and exemption. In principle, peasant households must deliver all their contracted grain to the state. [passage omitted]

Regarding the procurement of grain whose prices are fixed on a negotiated basis, we should follow the general principles of not only lifting restrictions, but also exercising regulation and control, and fixing prices according to market demands. Before fixing the prices, grain administrative departments in various cities and prefectures should link and coordinate their own prices with those of neighboring localities and then report the prices to the provincial grain department for unified coordination and balance. All levels of government should not fix prices presumptuously. On the prerequisite of respecting peasants' autonomy in selling the grain whose prices are

fixed on a negotiated basis, all localities should actively guide peasants to sell their grain to the state, and grain departments may procure the negotiated grain in the course of procuring the contracted grain.

With regard to funds, banks financial departments and grain departments should ensure the supply of funds in full amount in line with their respective quotas. Leaders should be held accountable for problems in fund supply or the situation of giving "IOU" slips.

With regard to management of grain markets, we should persistently combine decontrol with control to attain orderly circulation. During the period of putting the contract grain in storage, no enterprises or individuals, except for grain departments, are allowed to procure grain. Large corn processing enterprises must procure, with the approval of the grain and edible oil procurement office under the provincial government, the grain for the use of production from designated areas and in designated amount, and such grain should not be used for business. After fulfilling the task of procuring contract grain, counties (cities and districts) are allowed to decontrol grain markets. [passage omitted]

### Jilin Meeting on Supporting Militia Through Labor

SK2311070594 Changchun JILIN RIBAO in Chinese  
11 Nov 94 p 1

[By reporters Yin Yifan (1438 0001 0416), Xu Xiaopeng (1776 2556 7720), and Sun Chengwu (1327 2052 2976): "Jilin Holds an On-the-Spot Meeting of Militia and Reserve Service Forces on Supporting Militia Work Through Productive Labor"]

[FBIS Translated Text] The two-day provincial on-the-spot meeting of militia and reserve service forces to exchange experiences in supporting militia work through productive labor ended in Dongfeng County on 9 November. Wang Jinshan, Zhou Zaikang, Wang Guofa, and Chu Ping attended the meeting.

At the meeting, 14 units, including the Dongfeng County party committee, the county government, and the county people's armed forces department, introduced typical experiences of theirs and visited the Dongfeng County people's armed forces department as well as three town and township bases for supporting militia work through productive labor under the department.

Our province is one of the provinces that made an earlier start in supporting militia work through productive labor. Participation by militia and reserve service forces in local construction is a way to ceaselessly popularize and improve the campaign of seeking wealth through science and technology and elevating Jilin's economy to a new height. Dongfeng County has created favorable conditions for supporting militia work through productive labor by providing preferential policies, giving prior allocations, and providing an organizational guarantee. A network with counties (cities and districts) as the key,

towns and townships as the backbone, and villages as the foundation has preliminarily taken shape in the province. Over the past three years or so, nearly 100,000 militiamen and reserve servicemen across the province have joined the campaign of supporting militia work through productive labor, more than 2,600 enterprises and organizations for supporting militia work through productive labor have been established, and nearly 350 million yuan of output value and more than 48 million yuan of net income have been created. In the past three years, to support the construction of militia and reserve service forces, the province transferred more than 26 million yuan of funds from the revenues created by militiamen through productive labor, thus reducing the burdens of the local governments at various levels and the masses and promoting the construction of militia and reserve service forces.

Wang Jinshan fully affirmed the achievements in launching the campaign of supporting militia work through productive labor made by the people's armed forces front of the province, and also gave important instructions, urging the party committees and governments at various levels to further strengthen leadership over supportive work to the militia through productive labor. He said: Launching this campaign conforms to the requirements of the central task of the party and embodies the fundamental guiding ideology for making the construction of the national defense reserve forces in the new age be submitted to and serve the overall situation of the national economic construction, suits the demands of national construction, and reduces the burdens of the governments and the peasants. The way the people's armed forces front runs enterprises and organizations for supporting militia work through productive labor is different from the nature of the central prohibitions on party and government organizations engaging in business and running enterprises. The people's armed forces front runs enterprises and organizations completely aimed at strengthening the construction of national defense reserve forces and is advocated by the party Central Committee, the State Council, and the Central Military Commission. To this end, we must get rid of our ideological misgivings and draw clear standards in applying policies. Like the Dongfeng County party and government leaders, the party committees and governments at various levels should regard the work of supporting militia work through productive labor as a great matter of the party administering armed forces as well as a key undertaking of promoting reform, development, and stability; keep this work in mind; grasp it; and strive to make achievements in this regard.

Wang Guofa especially set demands on the governments at various levels, stressing that the governments at various levels should give financial support to the people's armed forces-run enterprises and organizations for supporting militia work through productive labor, pay attention to sending skilled persons to these units, try every

possible means to provide them with preferential policies, create a good external environment for this campaign, and ensure this campaign's sound progress.

Zhou Zaikang, standing committee member of the provincial party committee and commander of the provincial military district, made a summing-up report on militia and reserve service forces supporting militia work through productive labor and also set forth work tasks.

### Northwest Region

#### Solar Energy Base Completed in Gansu Province

OW2011071494 Beijing XINHUA in English 0648  
GMT 20 Nov 94

[FBIS Transcribed Text] Lanzhou, November 20 (XINHUA)—The country's largest pilot solar energy base has taken shape in northwest China's Gansu Province.

The solar energy base was built on the campus of a teachers college in the Tibetan Autonomous Prefecture of Gannan, as the region is 2,937 m above sea level and has 2,200-2,400 hours of sunshine a year. It was a joint program between the United Nations Development Program and the Gansu Science Academy.

So far, many buildings in the college have solar energy facilities, including a library, a teaching building, dormitories for both teachers and students and a dining hall.

#### Qinghai Secretary on Importance of Agriculture

HK2111121694 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 15 Nov 94

[FBIS Translated Excerpt] At a provincial agricultural work meeting on 14 November, provincial CPC Secretary Yin Kesheng stressed that all levels of party committees and governments must solidly cultivate the concept of agriculture and animal husbandry as the foundation of the national economy and take serious account of work concerning agriculture, rural areas, and the peasants.

Comrade Yin Kesheng said: Agriculture is the foundation of the national economy and is also an important factor in the country's stability and social tranquility. In the last few years, all levels of party committees and governments have held high Comrade Deng Xiaoping's banner of building socialism with Chinese characteristics; have paid close attention to agriculture, the rural areas, and the peasant issue; and have taken a series of major decisions on these. The party Central Committee and the State Council always show concern for agriculture, the rural areas, and the peasants. Therefore, all levels of leaders must remain sober-minded in this regard.

Comrade Yin Kesheng continued: Like the rest of the country, agriculture and animal husbandry serve as the material foundation for the Qinghai people's survival and development and are also the foundation of the

entire national economy. Two-thirds of the province's 4.4 million people live in the countryside. Without the stable development of agriculture and animal husbandry, without economic prosperity in pastoral areas, Qinghai's economic invigoration would be empty talk. In a word, Qinghai's development cannot be separated from agriculture and animal husbandry, nor can its stability be separated from agriculture and animal husbandry. All levels of party committees and governments must conscientiously study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and Comrade Jiang Zemin and Li Peng's important speeches so that the concept of agriculture and animal husbandry as the foundation will take solid root in their minds. Under all circumstances, agriculture and animal husbandry must be put in the first place of economic work and this must be unswervingly upheld for a long time.

On current rural work, Comrade Yin Kesheng said: Following the establishment of the socialist market economic structure, pastoral areas' economies are facing all sorts of changes, and we have two major strategic tasks to fulfill. The first is to improve the productive forces and ensure supplies of essential agricultural and sideline products, and the second is increasing peasants' and herdsmen's incomes so that they will switch from just having adequate food and clothing to moderate prosperity. To achieve these two major objectives there is a need to adjust and optimize the production structure, to comprehensively develop the economies of pastoral areas, and to improve their economic results. The development of Qinghai's agriculture and animal husbandry must be oriented at markets along with the development of a diversified economy. Animal husbandry's strong points must be brought into play in macro-agriculture. In the enterprise structure in some rural areas, a diversified economy as well as township and town enterprises must be developed.

Comrade Yin Kesheng also set detailed requirements on deepening reform in pastoral areas, on establishing an operational mechanism which corresponds with market economic demands, on strengthening the construction of agricultural and animal husbandry facilities, on strengthening development stamina, on using science and education to invigorate agriculture and animal husbandry, on popularizing and applying agricultural and animal husbandry scientific knowledge, and on helping poor areas to become better off. [passage omitted]

#### **Qinghai Leaders Discuss Party Building**

HK2211130694 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 18 Nov 94

[FBIS Translated Text] The central study group of the provincial party committee held a meeting on 18 November to discuss the study of the CPC Central Committee's decision on strengthening party building. Provincial leaders [party Secretary] Yin Kesheng, [Governor] Tian Chengping, Yao Xiangcheng, Doba, Li

Mingjin, Feng Mingang, La Bingli, Liu Guanghe, and Han Yingxuan attended the meeting. They all talked about their own feelings after studying the decision and unanimously agreed that the decision is an important document for guiding party building under the new situation and that strengthening party building is a new task. They said with deep feelings that our country's great achievements in the past 16 years were made completely under the party's correct leadership and practice has proved that the CPC is a firm leadership core in our country's socialist modernization drive and is a strong ruling party which never lets the people down.

At the meeting, the provincial leaders mainly discussed the need to deeply understand the significance of party building as a new great project and the measures for developing and consolidating party organizations at the grass-roots level. Yin Kesheng, secretary of the provincial party committee, said at the meeting: Strengthening the party's work is a requirement of the times and is a necessary prerequisite for the fulfillment of the great historic mission of the party. The party should enhance the quality of holding the ruling power and this is the ardent hope of the people.

Comrade Yin Kesheng pointed out: The study should be closely linked with the actual conditions in Qinghai and the fine tradition of the party in linking theory with practice should be carried forward. The theory should be applied to guiding practice in the course of study and the practical work should be done more systematically and creatively. The unity of the leading body should be strengthened and the ability to study new conditions and solve new problems should be enhanced. Various contradictions in the process of reform, development, and stability should be correctly handled. At the same time, party spirit should be strengthened, the sense of responsibility should be raised, and the work in all fields in this province should be done better.

#### **Fifteen Disciplined for 1993 Qinghai Dam Disaster**

OW2311040194 Beijing XINHUA in English 0346 GMT 23 Nov 94

[FBIS Transcribed Text] Xining, November 23 (XINHUA)—Fifteen people have been disciplined for negligence in connection with last year's disaster at Gouhou reservoir in northwest China's Qinghai Province.

The accident on August 27 of last year left 288 people dead and 40 missing when the dam in the Hainan Autonomous Prefecture developed a breach and burst suddenly. Direct economic losses amounted to 153 million yuan.

Shortcomings in the design and substandard quality of the dam project were discovered in the subsequent investigation. The tragedy was also the result of poor management and a delay in measures to avoid disaster, the investigation shows.



Of the 15 people being disciplined in the case, ten were local officials, according to Xu Fangzhi, director of the provincial supervisory department.

Dong Zhujia, secretary of Hainan Autonomous Prefecture, was given a serious warning for his dereliction of duty and bureaucratic behavior.

Wanma Longzhu, deputy director of the prefecture and former leading official of the dam project, was dismissed from his post. He neglected to appraise the quality of the construction and paid no attention to the useful suggestion of postponing the construction of a wave-prevention wall of the dam, resulting in the critical flaw in the dam.

Other former leaders of the dam project were punished in accordance with their individual responsibility for the accident.

A special investigation team was set up soon after the tragedy. 280 people were investigated and more than 360 files were checked during the investigation, revealed Xu.

"Considering that a lack of experience and special knowledge on the part of officials involved was one of the major factors in the accident, the punishment of these officials is quite fair," noted Xu.

Gouhou reservoir had a storage capacity of 3.3 million cubic meters. At the time the dam broke, the reservoir held 2.6 million cubic meters of water.

### **Qinghai To Build Potassium Sulfate Production Line**

*OW2111234294 Beijing XINHUA in English 1918 GMT 21 Nov 94*

[FBIS Transcribed Text] Xining, November 21 (XINHUA)—A new potassium sulfate production line, with an annual output of 50,000 tons, is to be built in northwest China's Qinghai Province.

According to Cao Mingjun, deputy general manager of the Qinghai Provincial Salt Corporation, the project, when built, will be able to produce potassium sulfate both for household and industrial use.

The province has so far signed letters of intent with several domestic and foreign companies to jointly build the production line, with a total investment of more than 100 million yuan, the official said.

He said that the project is expected to be completed early next year.

China's total annual output of potassium sulfate is over 40,000 tons, while the actual demand for the product in the tobacco production alone is estimated at 800,000 tons a year.

The province boasts proven reserves of 150 million tons of potassium, he said, adding that the newly-opened potassium mine at the Mahai Salt Lake in the Qaidam

Basin covers an area of 3,600 square km and has an exploitable reserve of 11 million tons.

### **Xinjiang CPPCC Committee Meeting Held in Urumqi**

*OW1911024394 Urumqi Xinjiang Television Network in Mandarin 1330 GMT 2 Nov 94*

[From the "Xinjiang News" program]

[FBIS Translated Text] The seventh meeting of the Seventh Xinjiang Uygur Autonomous Regional CPPCC Committee Standing Committee was held in Urumqi today. Attending the meeting were: Janabil, chairman of the autonomous regional CPPCC committee; Feng Dazhen, Yibulayin Rouzi, Mao Dehua, Wen Kexiao, Wang Shizhen, Han Youwen, Wu Jiahe, Sulaiyman, Sha Ming, Aronghanagi, Paxia Yixia, vice chairmen; and Hasimu Yimiti, secretary general.

Included in the major topics of the meeting were: studying the guiding spirit of the Fourth Plenary Session of the 14th CPC Central Committee and the Seventh Plenary Session of the Fourth Autonomous Regional CPC Committee, adopting the Regulations Concerning Motions of the Xinjiang Uygur Autonomous Regional CPPCC Committee, and examining a survey on the protection and overall improvement of the green corridor in the lower reaches of the Tarim River.

At this morning's meeting, Janabil and Feng Dazhen conveyed the guiding spirit of the Fourth Plenary Session of the 14th CPC Central Committee and the Seventh Plenary Session of the Fourth Autonomous Regional CPC Committee.

During his speech, Janabil said: The major task of the Fourth Plenary Session of the 14th CPC Central Committee focused on the strengthening of party building. At present, strengthening organizational building has become a prominent link. The Fourth Plenary Session of the 14th CPC Central Committee concentrated on organizational building. It laid out the plans mainly for upholding and improving democratic centralism, strengthening and improving party grass-roots organizations, as well as training and selecting leading cadres with both ability and integrity.

Janabil said: After the conclusion of the Fourth Plenary Session, the autonomous regional CPC committee held a standing committee meeting to convey and study its guiding spirit and laid out plans for the study of its guiding spirit across the region. From 25 to 29 October, the Seventh Plenary Session of the fourth autonomous regional CPC committee was held to discuss the strengthening of party building in the autonomous region. It adopted the Xinjiang Uygur Autonomous Regional CPC Committee opinions concerning the implementation of the guiding spirit of the Fourth Plenary Session and the strengthening of party building.

Janabil said in conclusion: As an important organization for the participation in the administration and discussion of state affairs, the CPPCC also face, under new historic conditions, the same problem of strengthening its own building. The guiding spirit and content of the CPC Central Committee Decision Concerning Some Major Issues on Strengthening Party Building can also be applied to the CPPCC. To study well the decision will play an important role in promoting the CPPCC's level in the participation in the administration and discussion of state affairs.

Auditing the meeting were members of the National CPPCC Committee living in Urumqi, deputy head of the autonomous regional CPC Committee United Front Work Department, responsible comrades of autonomous regional CPPCC organizations, CPPCC chairmen from all prefectures and cities in the region, as well as directors of CPPCC work committees in all localities in Xinjiang.

#### **Oil Production Base Takes Shape in Xinjiang**

OW2211033894 Beijing XINHUA in English 0302  
GMT 22 Nov 94

[FBIS Transcribed Text] Urumqi, November 22 (XINHUA)—Oil exploitation over the past five years has

turned the three barren desert basins in northwest China's Xinjiang Uygur Autonomous Region into China's leading oil production base.

The three basins, the Tarim, Junggar and Toha Basins, cover a combined area of 740,000 sq km. A large-scale oil exploitation campaign was launched there in the late 1980s as 35 oil and gas fields had been verified there.

So far, four oil towns have been built in Korla, Fukang, Shanshan and Hami Counties, respectively. Construction of a number of key petrochemical works are in full swing. Construction of workers' residential quarters, including dormitories, shopping centers, schools, hospitals, vegetable markets and clubs, is also under way.

State funds have been used in the laying of 4,000 km of highways and 1,800 km of oil pipelines. A water and power supply system has also taken shape.

A communications network crisscrosses the newly-built oil and gas fields. Up-to-date equipment, including digital-controlled systems, optical-fiber cables and satellite communications have been introduced.

**SEF-ARATS Talks Open on Optimistic Note**

OW2211140294 Tokyo KYODO in English 1335 GMT  
22 Nov 94

[FBIS Transcribed Text] Shanghai, Nov. 22 KYODO—China and Taiwan opened a sixth round of working-level talks in Nanjing on Tuesday [22 November] voicing optimism that an agreement on the repatriation of hijackers and illegal immigrants can be initiated by the end of the negotiations on Sunday, Chinese media reported.

Following a first session Tuesday afternoon, Sun Yafu, deputy secretary general for China's quasi-official Association for Relations Across the Taiwan Straits (ARATS), told reporters that both sides had created "a considerable basis" for a solution to the matter and that the rest remained "just a matter of wording," Shanghai television said.

Sun's counterpart in Taiwan's Straits Exchange Foundation (SEF), Hsu Hui-yu, echoed the remarks while saying that the agreement needs to take into account the "exceptional situation."

ARATS and SEF are quasi-official bodies set up in 1991 to handle the delicate, though rapidly expanding relationship between China and Taiwan, which Beijing considers a rebel province.

An accord stretching ways of promoting economic, social, cultural, scientific, youth and media exchanges was inked in an historic meeting in Singapore in April 1993, which broke 44 years of silence between the neighbors across the Taiwan Straits.

The mistaken shelling of the Chinese mainland from the Taiwanese-held garrison island of Lesser Quemoy that injured four Chinese last week was feared to trouble the talks, but Beijing last Thursday showed readiness to pass

over the issue saying it does not want to see relations with Taiwan "adversely affected by this incident."

**'Headway' Seen in Hijacker Talks With Taiwan**

HK2311082794 Beijing CHINA DAILY in English 23  
Nov 94 p 1

[By Sun Shangwu: "Headway Made in Talks on Hijackers"]

[FBIS Transcribed Text] Nanjiang—Two senior officials from the Beijing-based Association for Relations Across the Taiwan Strait (ARATS) and from the Taiwan-based Straits Exchange Foundation (SEF) kicked off their six-day meeting yesterday.

Both officials announced that they had made progress in the first round of talks on the wording of a document on the repatriation of aircraft hijackers. "This topic has been under discussion for more than one year and the way remains open for further progress," ARATS Deputy Secretary General Sun Yafu said after a two-and-a-half-hour meeting with his SEF counterpart Shi Hwei-you.

The meeting follows up the four-day meeting between ARATS Vice Chairman Tang Shubei's and SEF Vice Chairman Chiao Jen-ho in Taipei [Taipei] last August, when they agreed on the principles of three issues, including the repatriation of hijackers.

Sun said that both ARATS and SEF thought the consensus reached during the Tang-Chiao meeting should be maintained. The two sides have agreed to send back aircraft hijackers but agreed that one side would not demand repatriation if the suspect is a native of the side where he forced the plane to land.

At yesterday's meeting, SEF proposed some new views which ARATS was willing to study.

Shi said that although the two sides had some different understanding of the August consensus, these different opinions should not block the progress of the meeting.



**Li Refutes Allegation of Declaring Independence in '97**

*OW2211153794 Taipei CNA in English 1414 GMT  
22 Nov 94*

[By Bear Li]

[FBIS transcribed Text] Taipei, Nov. 22 (CNA)—President Li Teng-hui on Tuesday [22 November] refuted the allegation by Jaw Shau-kong, the Chinese New Party's candidate for Taipei mayor, that he advocates Taiwan independence.

"I hope the people of the nation will not believe the rumors that Li Teng-hui is fanning Taiwan independence," he said at the Presidential Office while meeting with a group of delegates to the 19th World Chinese Traders Conference, which opened Monday.

Jaw said at a campaign rally on Sunday that President Li intends to declare Taiwan's independence in 1997.

"As the president, what has always been at the top of my concerns is how to further develop the Republic of China on Taiwan and help Chinese here win the respect of the world," he said.

He noted that the completion of constitutional reforms in July has enabled the government to fully implement Dr. Sun Yat-sen's ideal that "The authority lies with the people." The reforms mean all officials, from village chiefs to the president, will be directly elected by popular vote.

Li said that the ROC, boosted by its strong economy, is seeking to join international organizations in order to play a more constructive role in the international community. He urged the leaders of overseas Chinese communities to exercise their influence to help the government achieve the goal.

Meanwhile, presidential spokesman Raymond Tai also blasted Jaw for the allegations. He said at a press conference that the government's policy to develop Taiwan and to seek China's unification has never changed.

President Li has also several times reiterated that he will never change his stance against communism and Taiwan independence, as well as his determination to pursue national unification, Tai said.

Tai urged all candidates not to abuse their freedom of speech by spreading rumors that would sharpen provincialism and provoke confrontation between the supporters of unification and supporters of Taiwan independence, which he said would only undermine social stability and prosperity.

**Lien: Independence, Unification Claims 'Election Ploy'**

*OW2211154694 Taipei CNA in English 1418 GMT  
22 Nov 94*

[By Bear Li]

[FBIS Transcribed Text] Taipei, Nov. 22 (CNA)—Premier Lien Chan on Tuesday [22 November] said that in order to best protect the well being of Taiwan's 21 million people, the government will rush neither unification with the mainland nor the independence of Taiwan.

He said that the recent allegations by some opposition candidates in the upcoming elections that the government is seeking to rush unification or independence are no more than elections ploys aimed to win votes.

Lien expressed his regret that a few candidates were "distorting" facts and "undermining" national and social stability.

"It's both anti-democratic and immoral for the candidates to intentionally divide different groups and create a confrontational atmosphere among the people with calls for either independence or unification for the sake of winning the elections," he added.

He asked relevant government agencies to refute candidates' criticisms of the government so as to prevent the people from being misled.

**Military Denies PRC Involvement in Frigate Damage**

*HK2311090794 Hong Kong AFP in English 0841 GMT  
23 Nov 94*

[FBIS Transcribed Text] Taipei, Nov 23 (AFP)—Taiwan's military authorities Wednesday [23 November] denied reports that one of its new missile frigates had been hit by a Chinese submarine while on a test voyage. Navy headquarters said a large piece of flotsam was to blame for the incident Tuesday, which occurred near the islet of Hsiaoliuchiu, off the southwest coast.

The locally-built Chi Kuang frigate, modeled after US Perry-class frigates, struck a large unidentified object while travelling at full speed. Press reports here said the object was a Chinese submarine, with some suggesting a torpedo might have been fired. But naval headquarters dismissed the reports saying "only the exterior part of the sonar system was damaged," and this was not caused by a submarine or torpedo.

Chinese submarines are said to be active in the Taiwan Straits but no action is taken against them so long as they do not enter Taiwan's territorial waters.

The Chi Kuang is the third of eight frigates being built by Taiwan's China Shipbuilding Corp. It was launched on August 29 last year and is fitted with weapons and detection systems. It is due for delivery to the navy in March next year when tests are completed. The eight frigates are being built at a cost of 130 billion Taiwan dollars (five billion US). The last warship will be delivered to the navy in 1999. They and six LaFayette-class frigates ordered from France will form the second generation fleet of Taiwan's navy.

**No Direct Flight for Chiang Kai-shek's Grandson**

HK2311074094 Hong Kong AFP in English 0717 GMT  
23 Nov 94

[FBIS Transcribed Text] Taipei, Nov 23 (AFP)—The Taiwan government on Wednesday turned down appeals for a longstanding ban on direct flight from China to be lifted so the gravely-ill grandson of the late nationalist leader Chiang Kai-shek could be brought back from Beijing.

Members of parliament attacked the decision to make Winston Chang, president of Soochow University who suffered a severe stroke while visiting Beijing, return via Japan on Thursday.

"The plane will leave Beijing Thursday morning, fly to Naha for a stopover in early afternoon, and arrive at the Chiang Kai-shek International Airport in Taoyuan the afternoon," said the sick man's twin brother John Chang, chairman of the cabinet-level Overseas Chinese Affairs Commission.

"We have consulted the doctors at the Sino-Japanese Friendship Hospital in Beijing and they affirmed that there shouldn't be any big problem for Winston for an additional stopover," Chang said.

Doctors from Taiwan and China had earlier said jolts during any stopover landing might endanger the fragile state of Winston Chang.

**Taiwan, French Insurance Societies Forge Cooperative Ties**

OW2311120694 Taipei CNA in English 0726 GMT  
23 Nov 94

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, Nov. 23 (CNA)—The French Federation of Insurance Societies Tuesday [22 November] signed a memorandum of understanding (MOU) with the Taipei Insurance Association in a new bid to enhance cooperative insurance ties between France and Taiwan.

Patrick Lefas, director of the French Federation's International Affairs Department, and Wang Shih-chan, president of the Taipei association, inked the document on behalf of the two sides.

Under the MOU, both sides pledged to jointly sponsor seminars and strengthen cooperation in information exchanges and development of new insurance products.

Noting that he is expecting good prospects for the Asia-Pacific insurance market, Lefas said the emerging economies in the region will be the driving force behind the expected brisk performance.

In return, Wang said that both sides will benefit from the cooperative ties as domestic insurance companies could consider establishing their European footholds in Paris and French insurers could tap the domestic market and then use Taiwan as a gateway to the mainland Chinese market.

Meanwhile, statistics show that automobile insurance posted the biggest increase of 75 percent among all non-life insurance items during the past five years.

By the end of 1993, automobile insurance reached NT\$ [New Taiwan dollars] 36.2 billion (U.S.\$1.37 billion), accounting for 60 percent of the domestic non-life insurance market.

Fire insurance came in second, absorbing NT\$12.1 billion (U.S.\$460.07 million) or 20 percent, while engineering, casualty and liability, as well as bond and guarantee insurance made up a combined nine percent of the non-life market.

Wang stressed that Taiwan boasts great potential for insurance since continued income growth will call for increased protection of life and property.

There is ample room for insurers to promote such items as typhoon, flood, earthquake, environmental protection and public risk insurance, he added.

Currently, a total of 23 non-life insurance firms, including seven from overseas, are competing in the domestic market. The sole French firm is L'Union des Assurances de Paris IARD, or UAP, which maintains a liaison office in Taipei.

## Hong Kong

### Qian Qichen Issues Warning Over SRV Boat People

#### Discourages Becoming 'New Home'

HK2311060094 Hong Kong SOUTH CHINA  
MORNING POST in English 23 Nov 94 p 3

[By Greg Torode in Hanoi]

[FBIS Transcribed Text] Chinese Foreign Minister Qian Qichen yesterday issued a blunt warning to Hong Kong—China does not see the territory as a new home for Vietnamese boat people.

Asked by the SOUTH CHINA MORNING POST whether China was concerned at the Hong Kong Government's move to release into an open camp 125 migrants rejected by Vietnam for repatriation, Mr Qian said China's position was clear. "We hope Hong Kong won't become a place to receive boat people," Mr Qian said at the end of his four-day visit to Vietnam with Chinese President Jiang Zemin.

And hours later Mr Qian's Vietnamese counterpart, Nguyen Manh Cam, said he feared that many migrants in Hong Kong's camps were, in fact, non-Vietnamese. Mr Cam also reaffirmed Hanoi's line that it would not take anyone from Hong Kong who was not Vietnamese. "We will continue to support repatriation of Vietnamese migrants in accordance with international agreements which provide for the respect and dignity of those being returned and with the support of the international community," Mr Cam said. "We will not take back anyone who is not Vietnamese."

When asked how many more migrants could be in the same position as the 125 released last week after being rejected by Vietnam for volunteer flights, he said: "I think there are many non-Vietnamese in Hong Kong camps." Mr Cam added, however, that the issue was "too minor" to be on the table in unprecedented meetings in Hanoi between leaders of both countries.

Mr Cam did not elaborate on exact numbers or on precise definitions for who and who was not a Vietnamese. It is understood that the question is currently plaguing talks between the foreign ministry and the British embassy on the status of an estimated 200 migrants rejected by Vietnam as essentially illegal immigrants.

It is also understood Vietnam is not just using ethnic criteria but also recognised nationality laws which show many of the 200 are in fact Chinese. Others are Cambodians, while some do not have traceable identities or addresses.

A sign of the gravity of the situation is the fact that the British Ambassador to Hanoi, Peter Williams, has become involved in the talks.

Meanwhile, Hong Kong's Secretary for Trade and Industry, Brian Chau Tak-hay, has raised Hong Kong concern at the situation with Vietnam's deputy prime minister. Mr Chau said he expressed in general terms to Tran Duc Luong the concern of the Hong Kong Government and community at the latest situation, while thanking Vietnam for its help in clearing the camps so far. "Although I'm here to boost trade and economic links, I felt I really had to point out the serious concern of the public and the government," Mr Chau said, adding that neither party was in any position to negotiate as they did not deal directly with migrants.

He said, however, that he told Mr Luong that recent years had shown that Hong Kong people associated Vietnam with the boat people problem—a fact which could hamper business and tourism. "I told him that I thought Vietnam's image would improve with the clearing of the camps and it could have a positive effect on trade and tourism."

#### Government Criticized Over Release

HK2311103594 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 1247 GMT 22 Nov 94

[“Special feature” by reporter Chao Chin (6392 6855)]

[FBIS Translated Text] Hong Kong, 22 Nov (ZHONGGUO TONGXUN SHE)—The Hong Kong Government recently released from closed camps a total of 125 illegal Vietnamese immigrants all of a sudden, allowing them to live in open camps where they can enjoy freedom of movement and employment, thus effectively resettling them in Hong Kong in a disguised form. Moreover, the Hong Kong Government officials have time and again refused to rule out any similar actions in future. The Hong Kong Government decision has been severely criticized by people from all walks of life in Hong Kong over the past few days. They have unanimously pointed out that the government decision can have serious consequences.

The concerns and worries expressed by people from all walks of life in the community can be best summed up in the following:

1. The decision has created a dangerous precedent and is bound to render repatriation more difficult. The Hong Kong Government claimed that the abovementioned boat people should not be confined to closed camps because they had participated in a voluntary repatriation program only to be rejected by the Vietnamese Government. Nevertheless, the Hong Kong Government has failed to offer a convincing explanation as to why these boat people should be allowed into the community. The creation of this precedent will no doubt provide the more than 20,000 boat people stranded in Hong Kong with fresh hope of resettlement. In consequence, they will adopt an antagonistic and uncooperative approach towards the Hong Kong Government's voluntary repatriation program. Moreover, the Vietnamese Government is also very likely to refuse to accept returning boat



people which it would otherwise have accepted. Should this happen, the Hong Kong Government will find it extremely difficult to implement the voluntary repatriation program;

2. The wrong signal is likely to give rise to a new wave of boat people. Statistics shows that in the first three quarters of this year, the Hong Kong Government repatriated a little over 4,500 boat people, a significant drop compared with the same period of last year. However, the total number of boat people arriving in Hong Kong on separate occasions in the first three quarters of this year rose by 800 percent over the same period of last year, exceeding 330 people. This shows that the Hong Kong Government has slowed down the boat people repatriation at a time when a growing number of Vietnamese boat people are arriving in Hong Kong. Instead of speeding up the boat people repatriation, the Hong Kong Government has decided to release from closed camps boat people rejected by the Vietnamese authorities and allowed them to live in open camps, thus sending the wrong signal that Hong Kong's policy toward the boat people is changing. This will unquestionably encourage more boat people to illegally enter Hong Kong. Those who have expressed deep concern about a new wave of boat people following the Hong Kong Government's decision are definitely not entertaining imaginary or groundless fears;

3. Foreign countries will take this opportunity to shirk their responsibilities. Everyone knows that Hong Kong's acting as the "port of first asylum" for the Vietnamese boat people was a commitment made by the British delegation during a UNHCR conference at which many big Western countries, including Britain, the United States, and others, pledged to serve as the "land of final refuge" for the boat people. In accordance with the original UNHCR arrangements, all Vietnamese boat people rejected by foreign countries would be repatriated to Vietnam before 1995. The British Government has also publicly undertaken to completely resolve the Vietnamese boat people problem before 1997.

Given the UNHCR arrangements and the British Government commitment, the Hong Kong Government should take positive and resolute measures to implement to the letter the existing repatriation policy instead of doing something else. However, since the start of this year, the Hong Kong Government has slowed down the repatriation process and has now even decided to release boat people from closed camps. People cannot but suspect that by making such a decision, the Hong Kong Government is deliberately flying a trial balloon to test the Hong Kong people's reaction. Should the Hong Kong people fail to react strongly, the British Hong Kong Government would then start releasing by stages and in batches the boat people rejected by the Vietnamese Government from the closed camps and allowing them to settle down in Hong Kong, thereby shifting the burden onto the Hong Kong people. Moreover, the UNHCR will also stop seeking the repatriation of the Vietnamese boat

people stranded in Hong Kong and nor will the British Government have to honor its commitment of resolving the Vietnamese boat people problem before 1997 and not leaving the boat people problem to the future special administrative region government.

People from all walks of life in Hong Kong have already reacted strongly to the government decision and demanded that the Hong Kong Government reexamine the decision, rescind the policy of Hong Kong serving as the port of first asylum, urge foreign countries to go on accepting boat people as promised, and speed up voluntary repatriation. People are now just waiting to see what the Hong Kong Government will do!

#### **Zhou Nan on Trade Center Status After 1997**

*HK2311083294 Hong Kong AFP in English 0707 GMT 23 Nov 94*

[FBIS Transcribed Text] Hong Kong, Nov 23 (AFP)—China has assured investors that Hong Kong will continue to remain an international financial and trade centre after the 1997 transfer of sovereignty.

Zhou Nan, director of the official Xinhua news agency's Hong Kong branch—China's de facto embassy in Hong Kong—told a trade and investment seminar here Wednesday, that China had become "the main decisive factor" in maintaining Hong Kong's economic prosperity after 1997.

He said trade between Hong Kong and the mainland had surged 40 times since China opened up its market to the outside world some 15 years ago. "There will be greater development in the economies of both sides after 1997," Zhou said, adding China will continue to maintain higher economic growth and foreign trade will expand further.

"Hong Kong will be greatly benefit from it," said Zhou at the one-day seminar organized by the economic subgroup of the Preliminary Working Committee (PWC), set up by China to prepare for the handover of this British colony to China in July 1997. "The economies of both places have gradually been formed into a single body," as investment from China into the territory continued to grow, he said.

China has overtaken the United States and Japan to become Hong Kong's second biggest investor after Britain, with total investment of some 25 billion US dollars, according to Chinese figures. The number of China-owned firms in Hong Kong has also increased to 1,658, with 54 listed on the Hong Kong stock exchange.

Zhou said that close relations between China and post-1997 Hong Kong would be based on mutual benefits and prosperity.

Similar assurances were also given by other Chinese top officials in the seminar, including promises that China-owned firms in the territory would not be given preferential treatment after 1997.

Chinese foreign trade and economic cooperation minister Wu Yi was also among the eight speakers in the seminar, which was designed to discuss solutions to possible issues arising from investments from or through Hong Kong into the Chinese mainland after 1997.

#### **Jiangsu Public Security Hold Man 'Hostage'**

HK2211045394 Hong Kong SOUTH CHINA  
MORNING POST in English 22 Nov 94 p 1

[By Linda Choy]

[FBIS Transcribed Text] A Hong Kong man has been held hostage by the Public Security Bureau (PSB) in the Chinese province of Jiangsu because his son owes money to a company in Huaiyin city, it was revealed yesterday.

The plight of "Mr O", a permanent Hong Kong resident, was among at least four cases taken up by British Foreign Secretary Douglas Hurd when he met his Chinese counterpart, Qian Qichen in New York at the end of September.

Statements about the meeting had mentioned only that Mr Hurd would raise the case of MING PAO reporter Xi Yang, who is serving a 12-year Jail term for "stealing financial secrets".

The other cases brought up involved the Hong Kong boss of the Shenzhen Zhili factory, Lo Chiu-chuen, and a Mr "M", apparently referring to Australian businessman James Peng Jiandong.

Lo was accused of ignoring fire safety, leading to the death of 87 workers, and is awaiting a verdict from his trial.

Peng's open trial in Shenzhen for alleged corruption and embezzlement ended last week.

Mr O is the only Hong Kong resident still under detention in China without any formal prosecution or trial.

His plight was disclosed in a Security Branch report to the Legislative Council [Legco] on the 16 people who have been detained by the mainland authorities during the past three years.

Identities have been kept secret at the request of families.

According to the Security Branch Mr O was detained on June 20 this year because of an unspecified amount of money his son owed to a company in Huaiyin.

"His family says that Mr O was unaware of the [financial] transaction," the submission says.

The Government has been seeking an official explanation from the mainland authorities but there has been no response since the first request was made in August.

In September, Mr O's family was told that he was still being detained by the company and would be released only after the debt had been paid.

However, the Government later received a reply from China saying that Mr O's case would be handed by the PSB to the local procuratorate for a decision on whether to lay a formal charge.

According to the submission, 15 out of 16 Hong Kong detainees had travelled to China on business. The only exception was Xi Yang.

Secretary of Security Alistair Asprey said in the Legco document that information would be sought through the Office of the Political Adviser and sometimes via the British Embassy in Beijing or the Foreign and Commonwealth Affairs Office in London.

In serious cases, the subjects would be raised in ministerial-level meetings.

Mr Asprey admitted that it would be difficult to offer embassy protection to most of the detainees because they entered China on home return permits.

"According to the Chinese law, these people are regarded as Chinese nationals and the British Embassy is not allowed to conduct meetings with them," he said in the submission.

#### **Beijing To Double Number of Advisers**

HK2111035094 Hong Kong SOUTH CHINA  
MORNING POST in English 21 Nov 94 p 2

[By Chris Yeung]

[FBIS Transcribed Text] China is poised to widen its united front by doubling the number of district affairs advisers in the territory. Sources said the local branch of Xinhua (the New China News Agency) was preparing to announce the second batch of district affairs advisers within a few weeks.

The first group, officially named in March, consisted of 274 advisers. The second batch is said to be of a similar size.

A pro-China source said officials from Xinhua's three district branches in Hong Kong Island, Kowloon and the New Territories had stepped up the recruitment drive as soon as the district board elections ended. Xinhua was attempting to enlist as many district figures as it could into the pro-China circle, the source said.

The source said the appointment of the second batch of district affairs advisers would also help please those who had been left out of the first batch but had sought closer links with the future sovereign power.

"It's just natural that more [people] are keen to get closer to the other nucleus of power," the source said.

It is understood that officials from Xinhua's district branches were now finalising the list of appointees and would make formal invitations soon.

The new batch will include many of the 700 district board candidates and former appointed members who did not seek another term in the September polls. One legislator, 20 urban and regional councillors and 12 district board chairmen were among the 274 district figures appointed as advisers in March. No core Democratic Party members were included.

It is understood the second batch of district affairs advisers also will not include key figures from the democratic flagship. Various sources said the Xinhua branches had become increasingly active in building up contacts in the districts officials from the Xinhua branches have invited district affairs advisers in separate groups to gauge their views on contentious issues such as the setting up of a provisional legislature, the Government's pension scheme and multi-billion dollar sewage treatment strategy.

Xinhua's Hong Kong Island branch held a closed door meeting with a group of about 10 district affairs advisers last week on the issues.

Leung Kwong-cheung, vice chairman of the Association for Democracy and People's Livelihood and a district affairs adviser, said Xinhua officials had sought their advice on specific issues. He said, however, that the overall performance of district affairs advisers had not been satisfactory. One reason was that the Xinhua offices faced a shortage of manpower.

Mr Leung, chairman of the Kwai Tsing District Board, said district affairs advisers in the area had initiated activities such as inspection tours of the container terminal facilities.

He said they would also be invited to visit Zhuhai and Guangzhou for familiarisation.

#### Government Appointments Favor Localization

HK2311050294 Hong Kong SOUTH CHINA  
MORNING POST in English 23 Nov 94 pp 1, 7

[By Chris Yeung, So Lai-fun, and Linda Choy]

[FBIS Transcribed Text] The government yesterday named the governor's private secretary as the next secretary for planning, environment and lands in another significant reshuffle to prepare for a cross-1997 leadership. Bowen Leung Po-wing will take over in May from Tony Eason, who has been directed to retire in the interest of localisation.

Peter Lai Hing-ling, currently deputy-secretary for constitutional affairs, will become the first local Chinese to the politically-sensitive post of secretary for security. He will succeed Alistair Asprey in February. Mr Asprey, 50, also has been directed to retire.

The appointments of Mr Lai, 43, and Mr Leung, 45, topped a series of senior-level moves announced by the government following a briefing to the Executive Council.

Two other significant appointments were:

—Education Director Dominic Wong Shing-wah, who has been recently embroiled in a controversy over history books, to become the new secretary for housing next month; and,

—Acting Secretary for Education and Manpower Lam Woon-kwong, who only a few months ago was promoted to Commissioner for Labour, has been elevated to the post to be vacated by Mr Wong next month. Last night, the local director of Xinhua (the New China News Agency) Zhou Nan and Vice-Director Zhang Junsheng refused to say whether the new lineup would straddle 1997.

Mr Zhang said the government had followed the "usual practice" of informing Xinhua of the reshuffle beforehand.

Secretary for the Civil Service Michael Sze Cho-cheung said China was not consulted on the appointments because the administration had the autonomy to do so before 1997. But the Government was willing to discuss the transitional arrangement of the civil service with China, he said. Mr Sze said the three newly-promoted officials were not asked what passports they held.

Under the Basic Law, the 22 principal officer posts have to be filled by locals with no foreign nationality. The government is aiming to complete the localisation process by the end of next year.

The government will have to find replacements for expatriate officials, including the Financial Secretary, Sir Hamish Macleod; the Attorney-General Jeremy Mathews; the Secretary for Financial Services Michael Cartland; the Secretary for Works, James Blake; the Independent Commission Against Corruption, director Bertrand de Speville, and the Customs and Excise Commissioner, Don Watson.

A number of senior officials have also been promoted to the rank of secretary and administrative officer staff Grade A, paving the way for further promotion in the next few years.

Those who have been given formal secretary ranking included the Secretary for Transport, Haider Barma; the Secretary for Economic Services, Gordon Siu Kwing-chue, the Secretary for Treasury, Donald Tsang Yam-kuen, and the Secretary for Constitutional Affairs, Nicholas Ng Wingfui.

Officials given the staff Grade A rank are the Director of Building, Helen Yu; Lai Ching-ping; Bowen Leung, and Lam Woon-kwong; and the Deputy Secretary for the Treasury Kwong Ki-chi.

Peter Lai, who has been deeply involved with the 17 rounds of talks over Mr Patten's political reform blueprint, refused to say whether he was confident of being able to become the first security chief in the Special Administrative Region (SAR) government.



He said that was a matter for the SAR chief executive.

Mr Lai believed that he had no problem in handling his relationship with China and hoped he could serve in the service beyond 1997.

"Although there have been differences over policies and the way of doing things between us during six to seven years of relationship, I think Chinese friends and officials are very polite."

Mr Lai, a Hong Kong passport-holder, said his immediate priority was to prepare for the Joint Liaison Group session next month and the handover of the work to his successor Stephen Lam Shui-lun.

Bowen Leung, a BDTC [British Dependent Territory Citizen] passport-holder, said he would like to stay in the service after 1997.

He rejected claims that his rapid promotion was due to his close relationship with the governor. Asked if the appointment of Mr Leung had deviated from the usual career path without serving as a department head, Michael Sze said such an experience was desirable but not necessary. A senior government source said Mr Leung's "dramatic promotion" was largely due to his strong background of experience in land issues and "good political sense".

Lam Woon-kwong said he was happy but surprised about the latest posting. He was originally scheduled to officially take up the post of commissioner of labour later this year, after completion of the review on the pension scheme.

Mr Sze explained the sudden change of Mr Lam's job was because of the new plan to create the post of housing secretary. Mr Lam said the new job would be a challenge for him because he was more familiar with labour policies than education. "I think I'll have a lot of homework to do before taking up the new job," he said. "But I'm interested in education too."

The government source said Mr Lam's "tireless campaign" to promote the pension scheme has impressed the top echelon. Mr Lam's posting to the Education Department will help bring in "new initiatives and a better image" and a younger leadership of the department suffering the problem of ageing leadership, the source said.

A government source defended the choice of Dominic Wong saying he was an experienced administrator and one of the "old hands" who could balance the "young turks" at the senior echelon.

The changes at the top triggered a series of minor appointments. These included:

—Stephen Ip Shu-kuen, commissioner of insurance, will be appointed commissioner for labour;

—Pamela Tan Kam Miwah, deputy head of the central policy unit (CPU), will take over from Mr Ip's job;

—Alan Lai Nin, deputy director of administration, will take over from Mrs Tan as CPU deputy head;

—Jacqueline Willis, deputy secretary for health and welfare, will become deputy secretary for education and manpower, succeeding Lam Woon-kwong;

—John Tsang Chun-wah, assistant director general of trade, will replace Mr Bowen Leung as private secretary to Mr Patten.

### Meeting Reaches Consensus on Travel Documents

OW1911023394 Beijing XINHUA Domestic Service in Chinese 1111 GMT 17 Nov 94

[By reporter Liu Gang (0491 0474)]

[FBIS Translated Text] Beijing, 17 Nov (XINHUA)—After two days of discussion, the seventh meeting of the Preliminary Working Committee [PWC] Social and Security Group of the Hong Kong Special Administrative Region [SAR] Preparatory Committee adjourned in Beijing this morning. The meeting's participants reached initial consensus on the SAR government's issuance of legal travel documents other than passports, as well as visits to Hong Kong from the hinterland by children of Chinese citizens who are Hong Kong permanent residents after 1997.

At the meeting, members confirmed their common understanding that Chinese citizens who are Hong Kong permanent residents will carry SAR passports after 1 July 1997; and reached initial consensus on the issuance of "other legal travel documents." Stateless people without a passport who have the right of abode in Hong Kong, and Chinese citizens who have obtained the right of legal residence but not the right of abode in Hong Kong before 1997, will be given "other legal travel documents." With the travel documents, these two categories of people, after leaving Hong Kong, will have the right to return to the SAR. In addition, people who have been legal residents of Hong Kong for less than seven years will also have the right to return to Hong Kong. Members will appraise the status of other categories of people and decide on travel documents to be carried by them as well as their right to exit and enter the SAR.

Members listened to and discussed a briefing by a senior Public Security Ministry Exit and Entry Management Bureau official concerning application to visit Hong Kong from the hinterland by children of Chinese citizens who have Hong Kong permanent residence status. Members agreed with the Sino-British Joint Liaison Group's understanding of the relevant provisions in the Basic Law, pointing out that children are entitled to the right of residence only when either parent is a Chinese citizen who has already obtained the right of abode before the child's birth. They endorsed the system of granting one-way traffic passes to a fixed number of qualified

hinterland-born children to take up residence in Hong Kong, which the Public Security Ministry instituted in the second half of last year. They emphasized the need to take into account Hong Kong's comprehensive capability to withstand strains, and called for granting passes in a planned and step-by-step manner. Meanwhile, in view of the large number of qualified children, it is necessary to incrementally increase the quota of the above mentioned personnel wanting to take up residence in Hong Kong so as to enable as many people as possible to settle down in Hong Kong before 1 July 1997.

Moreover, members made suggestions on Hong Kong's public housing policy. In view of a fairly large number of lower-middle income people in Hong Kong living under poor conditions, members urged the Hong Kong Government to seriously view this problem to gradually alleviate their hardship.

### Trade Unions Criticize Plan To Import Workers

HK2311060494 Hong Kong SOUTH CHINA  
MORNING POST in English 23 Nov 94 p 2

[By Chris Yeung and Louis Won]

[FBIS Transcribed Text] A government decision announced yesterday to allow up to 27,000 imported workers for new airport-related projects has drawn fierce criticism from unionists.

But business leaders and the Liberal Party welcomed the decision to revise the quota ceiling for the importation of labour scheme, saying it would ensure speedy completion of the projects.

The Executive Council [Exco] endorsed a government proposal to introduce a two-phase scheme to import a maximum of 27,000 workers for airport core projects. The first rise to 17,000 will be implemented immediately.

A ceiling of no more than 5,500 imported workers was adopted in January last year. At the end of last month the number of imported workers on airport-related projects stood at 3,193.

Democratic Party legislator Lau Chin-shek yesterday expressed strong opposition to the government's move. Mr Lau, who is also the director of the Hong Kong Christian Industrial Committee, said the increase would affect the livelihood of local workers in the industry. He pointed out that the construction industry already had higher unemployment and under employment rates, and income growth was slower than in other industries. He said the government should not sacrifice the livelihood of local workers for the economic benefit of hastening completion of the airport.

Government officials argued that the phased-in importation scheme plus periodic reviews would prevent the livelihood of local workers being jeopardised. The Acting

Secretary for Education and Manpower, Lam Woon-kwong, said they had adopted a prudent approach that allowed flexibility for adjustment. He denied that the government had misled the unionists by failing to reveal the total numbers of imported workers when the scheme was introduced. The recent progress on airport financing talks meant that a lot of projects could go ahead, he said.

Deputy Director of the New Airport Projects Co-ordination Office, John Burrette, said: "It was only with the approval of the \$23 billion funding for the Airport Railway last Friday that we can now talk seriously about the proposal for labour requirements."

The government's economist, Tang Kwong-yiu maintained that they had thoroughly assessed the labour market and had come to the conclusion that an increase in the quota would ensure the airport construction was completed as soon as possible without a contraction in the entire labour market. Mr Tang insisted that importation of labour would help curb inflation. The government would take corresponding measures to adjust the scheme if the increase of imported workers led to a slow-down in wage increases, he said.

Under the government estimate, there will only be about 3,000 local workforce available for the airport and related projects in 1996 when construction reaches its peak.

Mr Lam said the labour market was unlikely to ease in the face of other construction projects. Pro-China legislator Tam Yiu-chung from the Democratic Alliance for the Betterment of Hong Kong said he could not see any substantial measures the government would take to ensure that local workers' job opportunities and wage levels would not be affected.

The Provisional Airport Authority welcomed the Exco decision. Chief executive officer Dr Hank Townsend said: "We are facing some very demanding time factors. We must ensure that our contractors have access to the labour resources they will need."

The Liberal Party also welcomed the move. Party legislator James Tien Pei-chun said local workers would not need to worry about their job opportunities because the imported workers could only work on airport core programme sites.

The government will have to spend an additional \$99 million to increase manpower resources to handle the drastic increase in imported labour, officials said. An estimated 100 new staff will have to be recruited in the immigration department and labour department to process the applications and supervise the operation of the scheme. The extra requirement of financial resources has been provided by the Finance Branch.

Deputy Secretary for Education and Manpower Lam Woon-kwong said the new staff would be brought in gradually between 1995 and 1997. The staff will be

absorbed by other departments after the airport construction project's peak period ends, he said. Mr Lam said the government had already made improvements to the supervision of the importation scheme in order to minimise abuses. For instance, the salaries of overseas workers have been paid directly into their bank accounts, he said. Mr Lam said the number of complaints by overseas workers against contractors has been small in the past.

Legislator James Tien Pei-chun urged the government to thoroughly check the applications from contractors in a bid to give better protection to the well-being of local workers.

### Columnist Fears for Editorial Independence

HK2211050594 Hong Kong SOUTH CHINA MORNING POST in English 22 Nov 94 p 23

[By Margaret Ng]

[FBIS Transcribed Text] When Robert Kuok bought the 34 percent stake in the SOUTH CHINA MORNING POST from Rupert Murdoch and became the paper's chairman, the news created a deep stir in the Hong Kong community. It was feared that in the hands of someone of Mr Kuok's background and business interests the editorial independence of the paper would be vulnerable, with grave implications on the independence of the English-language press.

However, when CIM, the holding company of MING PAO DAILY NEWS, announced last week that Indonesian businessman Oei Hong Leong had bought a 10 percent stake in the newspaper and had been appointed chairman of the Ming Pao Enterprise Corp, replacing Yu Pun-hoi, the news excited hardly any comment.

And yet the implication of such a development is equally worrying. Founded by Louis Cha some 35 years ago and owned by him until he sold it to Yu Pun-hoi in whom he saw a worthy successor, MING PAO has long been recognised as one of the most prestigious Chinese-language newspapers in Hong Kong, with a wide readership among educated and professional people. The question of its editorial independence must be at least as important to Hong Kong's press freedom as that of the SCMP.

That a man who controls a noted pro-China publication should be at the head of MING PAO must be a matter of reasonable concern and for careful reflection. As chairman of China Strategic Holdings, Oei has extensive business interests in China. As reported in the November 16 issue of MING PAO, his personal connections with China go back to his youth, when his father sent him there to study. He went through the Cultural Revolution there, returning to Indonesia when he was 19.

Since he shifted his business interests from Singapore to Hong Kong in 1991, he has concentrated on China trade, and maintained close connections with PRC leaders.

Last year, he bought a controlling share in WIDE ANGLE [KUAN CHIAO CHING], a Chinese-language monthly magazine published in Hong Kong and well known for its unabashed pro-China views and rumoured connections with the Chinese military.

Oei could not be called a self-effacing owner of the publication. Photographs of him enjoying the company of one or another members of the Chinese leadership have graced no less than seven of the 10 covers published since he assumed control. In the November issue, he appears on the cover as well as on its inside pages in an article on China's Minister of Security, Tao Siju.

To the general public this may suggest that Oei has powerful connections in China and thinks much of them. To weathered journalists this may further suggest a boss who does not refrain from interfering with editorial decisions to gratify his own vanity or serve his own purposes.

Upon his appointment to the Ming Pao group, Oei, as incoming chairman and Yu, as the out-going one, jointly declared that editorial policy would not be interfered with. Only time can give the declaration its true value. However, what Yu, speaking on behalf of both, described as the aim they envisage for MING PAO, may cause some immediate concern.

MING PAO's aim, in their shared view, should aim at being "a Chinese people's newspaper". While emphasising that it must be a modern newspaper, must not be a tool for political propaganda, and must be objective, accurate and fair. It is also made clear that MING PAO is not to be run in a way which "blindly follows the ways of Western liberalism". It should contrive to "contribute to the propagation of the Chinese culture and strengthening the solidarity of the Chinese people". In so far as it is also a Hong Kong people's newspaper, it should "contribute to Hong Kong's smooth transition and future prosperity".

These are very pregnant words indeed. What is unmistakable in them is a passionate sense of racial pride and nationalism which threatens to dominate. One wonders, would news reports and commentary be vetted according to whether or not they are conducive or damaging to such aims?

Would a news story be banned if it threw a critical light on the Chinese Government or Chinese leaders, thus undermining their prestige or spoiling their image? Would news stories be written in such a way and from such an angle as to ensure a smooth transition? Under what circumstances must the ways of Western liberalism give way to higher aims in the running of the newspaper?

It may be that little attention is paid to Oei's participation and appointment because what he bought was a mere 10 percent stake and not a controlling interest. Yet to take this view is to refuse to look beneath the surface. Oei does not need to buy a controlling interest to become



a threat if he and Yu are basically in agreement as to what should happen to MING PAO.

What is overwhelmingly obvious is Yu's keen interest to break into the China market. What with the launch of CIM's Chinese Television Network this month, the stakes are high indeed. And Oei, with all his Chinese connections, would appear to be just the man to help him.

In the context of such a commercial interest, and given Yu's professed views on running MING PAO, which he says Oei shares, worries that the editorial policy will change in spite of assurance to the contrary are hardly fanciful. If MING PAO's reporting turns out to be offensive to Chinese leaders and so embarrassing to Oei and/or Yu in the future, will MING PAO's editorial staff be allowed to carry on without interference from the management?

And here MING PAO's position is more precarious than anything the SCMP might have faced with the Kuok takeover. With the latter, the worry is not so much of an imminent and radical change in editorial policy, since the most likely outcome would be an immediate loss of prestige, thus devaluing the paper as a commercial investment as well as diminishing its potential credibility should it become necessary or desirable to exploit its influence when the time comes.

The situation is different with MING PAO. While MING PAO has been cynically referred to by some as "pro-China", in fact time and again its reporting has infuriated Chinese officials.

A sillier example is comparing, by means of market research, the popularity of Zhou Nan and the Governor,

Chris Patten. A grimmer example is the arrest and imprisonment of Xi Yang, a MING PAO reporter, by the Chinese government. MING PAO definitely does not lack enemies in Beijing or in the Hong Kong Branch of Xinhua, as its editors have been told on more than one occasion.

In the Xi Yang incident a rift between Yu and his editorial staff could hardly remain hidden. He clearly could not bend them entirely to his will. How frustrating this might have been to him one would not venture to guess, but an incident like this could not have been calculated to further his business interests in China.

As it stands, MING PAO's present editorial policy as pursued by the editorial staff may already be bad for business. Whether to Yu, Oei or to the powers that be in Beijing, there may already be the need to stop further harm by fairly speedy change. It is true that revenue from MING PAO brings CIM considerable profit which the group sorely needs for its other expensive projects, but as the sale to Oei shows such revenue is not the only possible source of raising money.

If the editorial independence of MING PAO is balanced upon business interests, and those business interests depend so much on the benevolence of the Chinese leadership, then MING PAO's editorial independence is precarious indeed.

In the past, MING PAO's editorial staff have proved hard to tame. One wonders, if they persist in being unyielding, whether cruder measures will not be taken. Only time will tell. In the meantime anyone who cares for Hong Kong's press freedom would do well to watch the paper vigilantly. For, once MING PAO is silenced, who knows what will happen next?

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